



## CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The policies and practices developed and implemented by the Board over many years meet or exceed the Principles and Recommendations set out in ASX's 4th Edition Corporate Governance Council guidelines (ASX guidelines). The ASX Guidelines were amended in February 2019 and became effective for ALS Limited's financial year ending 31 March 2021, the Company's first full financial year after 1 January 2020. The ALS policies and practices continue to meet or exceed the updated ASX guidelines.

This statement was approved by the Board of ALS and is current as at 23 June 2021. The statement and information identified therein are available on the Company's website at [www.alsglobal.com](http://www.alsglobal.com) under the Corporate Governance section.

| ASX Recommendation   |  | Statement commentary  | Compliant with ASX Recommendation |
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| <b>Principle 1: Lay solid foundations for management and oversight</b><br><b>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.</b> |  |   |                                   |
| 1.1  | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.                               | <p>The Board's role is to govern the Company rather than to manage it. It is the role of executive management to manage the Company in accordance with the direction and delegations of the Board and the responsibilities of the Board to oversee the activities of management in carrying out these delegated duties. [Rec 1.1(a)(b)]</p> <p>A summary of the Company's board charter is posted on the Company's website which sets out the role, powers and responsibilities of the Board.</p> <p>The board charter was reviewed by the Board during FY21 and enhancements made to the charter to ensure it properly reflects the current obligations of the Board and the requirements of the ASX Guidelines.</p> | Yes                               |
| 1.2  | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(b) provide security holders with all material information in | <p>Any director that is being considered for appointment to the ALS Board will be subject to background and probity checks to verify their educational and employment history and to determine if they possess skills and experience that is complementary to the efficient operation and functioning of the Board. [Rec1.2(a)] At the upcoming 2021 AGM to be held 28 July 2021, Bruce Phillips and Charlie Sartain will stand for re-election. Security holders will be provided with all material information in the AGM Notice of</p>   | Yes                               |

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|                    | its possession relevant to a decision on whether or not to elect or re-elect a director.  | Meeting relevant to a decision on whether to re-elect Bruce Phillips and Charlie Sartain as non-executive directors for a 3-year term. [Rec 1.2(b)]   |                                   |
| 1.3                | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.   | Directors are not appointed for specific terms and are subject to rotational requirements for re-election. Criterion for continued office is effective contribution, which is regularly reviewed in the evaluation of the Board's performance. All Non-executive directors and senior executives have written agreements setting out the terms of their appointment. [Rec 1.3]  | Yes                               |
| 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.   | The Board has access to the Company Secretary (who is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board) and has procedures for the provision of information, including requests for additional information. [Rec 1.4]  | Yes                               |
| 1.5                | <p>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>i. the measurable objectives set for that period to achieve gender diversity;</p> <p>ii. the entity's progress towards achieving those objectives; and</p> <p>iii. either:</p> <p>A. the respective proportions of men and women on the board, in senior executive positions and</p> | <p><b>Diversity &amp; Inclusion</b></p> <p>The Company recognises that a diverse and inclusive workforce is not only good for our employees, it is also good for our business.</p> <p>The Company has established a Diversity &amp; Inclusion Policy that is reviewed and approved by the Board which contains measurable objectives for key diversity categories, including recruitment, leadership development and pay equity [1.5(b)].</p> <p>The Company's Diversity &amp; Inclusion Policy is published on the Group's website [1.5(a)].</p> <p>The Company's Diversity &amp; Inclusion Policy is based on the following key principles, reflective of the ASX guidelines on diversity:</p> <ol style="list-style-type: none"> <li>1. Treat others with respect, value differences and maintain privacy;</li> <li>2. Value diversity and it will bring opportunities to enhance our businesses;</li> <li>3. Women and minority cultural groups will not be disadvantaged in gaining employment and accessing the benefits and privileges that other persons in the Company enjoy in their employment with the Company;</li> <li>4. Transparency will be exercised in all recruitment decisions from Board level to entry level;</li> </ol> | Yes                               |

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|                    | <p>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&amp;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>5. Workforce composition statistics will be reviewed annually to determine if there are any areas that warrant an increased focus on diversity; and</p> <p>6. Public reporting of progress against the Company’s diversity objectives.</p> <p>A summary of the matters required to be reported each year is contained in the People section of the 2021 Sustainability Report under Diversity &amp; Equality. [Rec 1.5(c)]</p> <p>The total percentage of female directors amongst the non-executive directors on the Board is 33%.</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>  | <p><b>Board performance</b></p> <p>The Board undertakes an annual review of its performance, and each of the Committees and individual directors. A Board Performance review and skills evaluation was carried out during the year. [Rec 1.6(a)(b)]</p>  | Yes                               |
| 1.7                | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the</p>   | <p><b>Executive performance</b></p> <p>The Board undertakes an annual review and assessment of the Group’s executive management. An Executive Management</p>   | Yes                               |

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|   | performance of its senior executives; and<br>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.  | Performance review was carried out during the year. [Rec 1.7(a)(b)]  |                                   |
| <b>Principle 2: Structure the board to add value</b><br><b>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</b> |  |  |                                   |
| 2.1   | The board of a listed entity should:<br>(a) have a nomination committee which: <ul style="list-style-type: none"> <li>i. has at least three members, a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director,</li> </ul> and disclose: <ul style="list-style-type: none"> <li>iii. the charter of the committee;</li> <li>iv. the members of the committee; and</li> <li>v. 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</li> </ul> (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 | <b>Nomination Committee</b><br>The Nomination Committee and the Board regularly reviews Board membership. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans, evaluation of the Board's performance, remuneration and consideration of appointments and removals. [Rec 2.1]<br>The Nomination Committee is also responsible for reviewing and making recommendations to the Board regarding CEO performance, remuneration and succession planning.<br>The Committee met during the financial year [Rec 2.1(a)(iv)] to review the skills, experience, expertise and personal qualities that will best complement the Board's effectiveness in future years as part of its board renewal and succession planning processes undertaken during the year.<br>The Nominations Committee Charter was reviewed by the Board during FY21 and enhancements made to the charter to ensure it properly reflects the current obligations of the Board and the requirements of the ASX Guidelines. A summary of the Nominations Committee charter is posted on the Company's website and sets out the role, powers and responsibilities of the Committee.<br>[Rec 2.1(a)(i)(ii)(iii)(iv)(v)] | Yes                               |

| ASX Recommendation                                       |   | Statement commentary   | Compliant with ASX Recommendation         |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
|--|---|--|---|-----------------|----------------------------|--|--------------------------------------|--------------------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------------|------------------------------|--------------|--------------------------|---------------------|--|--|---------------------------------------|---|--|---|---------------------------------|-----|
|  | diversity to enable it to discharge its duties and responsibilities effectively.  |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| 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. | <p>When a Board vacancy occurs, the Nomination Committee identifies the particular skills, diversity, experience and expertise that will best complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria. [Rec 2.2]</p> <p>The Board has undertaken a review of the performance of Bruce Phillips and Charlie Sartain, who each stand for re-election at the AGM in July 2021.</p> <p>A skills matrix (disclosed below) is utilised to assess the relevant criteria for candidates for appointment to the Board. [Rec 2.2]</p> <p><b>Board skills matrix</b></p> <table><tr><td><b>Professional Skills and experience</b></td></tr><tr><td><b>Strategy</b></td></tr><tr><td><b>Policy Development.</b></td></tr><tr><td><b>Financial Performance /Accounting</b></td></tr><tr><td><b>Treasury, Finance and funding</b></td></tr><tr><td><b>Risk and Compliance Oversight</b></td></tr><tr><td><b>Corporate Governance</b></td></tr><tr><td><b>Executive Management</b></td></tr><tr><td><b>Commercial Experience</b></td></tr><tr><td><b>Mergers and Acquisitions</b></td></tr><tr><td><b>Government/ Regulator</b></td></tr><tr><td><b>Legal</b></td></tr><tr><td><b>Talent Management</b></td></tr><tr><td><b>Remuneration</b></td></tr><tr><td><b>Investor Relations and Stakeholder Management</b></td></tr><tr><td><b>IT Systems, process improvement/change management</b></td></tr><tr><td><b>Industry Skills and experience</b></td></tr><tr><td><b>Analytical and testing services and consulting</b></td></tr><tr><td><b>Regulatory and business environment</b></td></tr><tr><td><b>Testing, Inspection and Certification market</b></td></tr><tr><td><b>Commercial and Corporate</b></td></tr></table> | <b>Professional Skills and experience</b> | <b>Strategy</b> | <b>Policy Development.</b> | <b>Financial Performance /Accounting</b> | <b>Treasury, Finance and funding</b> | <b>Risk and Compliance Oversight</b> | <b>Corporate Governance</b> | <b>Executive Management</b> | <b>Commercial Experience</b> | <b>Mergers and Acquisitions</b> | <b>Government/ Regulator</b> | <b>Legal</b> | <b>Talent Management</b> | <b>Remuneration</b> | <b>Investor Relations and Stakeholder Management</b> | <b>IT Systems, process improvement/change management</b> | <b>Industry Skills and experience</b> | <b>Analytical and testing services and consulting</b> | <b>Regulatory and business environment</b> | <b>Testing, Inspection and Certification market</b> | <b>Commercial and Corporate</b> | Yes |
| <b>Professional Skills and experience</b>                |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Strategy</b>  |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Policy Development.</b>                               |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Financial Performance /Accounting</b>                 |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Treasury, Finance and funding</b>                     |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Risk and Compliance Oversight</b>                     |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Corporate Governance</b>                              |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Executive Management</b>                              |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Commercial Experience</b>                             |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Mergers and Acquisitions</b>                          |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Government/ Regulator</b>                             |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Legal</b>   |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Talent Management</b>                                 |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Remuneration</b>                                      |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Investor Relations and Stakeholder Management</b>     |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>IT Systems, process improvement/change management</b> |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Industry Skills and experience</b>                    |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Analytical and testing services and consulting</b>    |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Regulatory and business environment</b>               |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Testing, Inspection and Certification market</b>      |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |
| <b>Commercial and Corporate</b>                          |   |  |   |                 |                            |  |                                      |                                      |                             |                             |                              |                                 |                              |              |                          |                     |  |  |                                       |   |  |   |                                 |     |

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|                    |  | <b>Financial Debt and Equity Capital</b>  |                                   |
| 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 director, the nature 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> | <p><b>Independence of directors</b></p> <p>The Board considers that all current directors, other than the Managing Director, Raj Naran, to be independent of management influence. [Rec 2.3(a)]</p> <p>The Board distinguishes between the concept of independence, and the issues of conflict of interest or material personal interests which may arise from time to time. Wherever there is an actual or potential conflict of interest or material personal interest, the Board's policies and procedures ensure that:</p> <ul style="list-style-type: none"> <li>the interest is fully disclosed, and the disclosure is recorded in the register of directors' interests and in the Board minutes;</li> <li>the relevant director is excluded from all considerations of the matter by the Board; and</li> <li>the relevant director does not receive any segment of the Board papers or other documents in which there is any reference to the matter.</li> </ul> <p>There exists no material professional, business or substantial shareholder relationship by any director with the Company. [Rec 2.3(b)]</p> <p>The names, skills and experience of the directors in office at the date of this Statement, and the period of office of each director, are set out in the Directors' Report and in the Annual Report. [Rec 2.3(a)(b)(c)]</p> <p><b>Independent professional advice</b></p> <p>Each director has the right, at the Company's expense, to seek independent professional advice in relation to the execution of Board responsibilities. Prior approval of the Chairman, which will not be unreasonably withheld, is required. Where appropriate, directors share such advice with the other directors.</p> | Yes                               |
| 2.4                | A majority of the board of a listed entity should be independent directors.  | <p>The Board currently comprises of six independent non-executive directors (including the Chairman) and one executive director (the Managing Director). [Rec 2.4]</p> <p>With the appointment of five new directors over the past 6 years, the Company considers the Board to be independent.</p>  | Yes                               |
| 2.5                | The chair of the board of a listed entity should be an independent director and, in particular, should not be  | The Chairman of the Company is an independent non-executive director. [Rec 2.5]   | Yes                               |

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|   | the same person as the CEO of the entity.  | The roles of Chairman and Chief Executive are exercised by separate individuals. [Rec 2.5]  |                                   |
| 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 effectively.   | The Board provides an appropriate induction program for new directors, which includes onsite visits to operations. Directors have the opportunity for professional development through programs operated by the Australian Institute of Company Directors and bespoke educational briefings on relevant matters by topic experts. [Rec 2.6]   | Yes                               |
| <b>Principle 3: Act ethically and responsibly</b><br><b>A listed entity should act ethically and responsibly.</b> |  |   |                                   |
| 3.1   | A listed entity should articulate and disclose its values.   | The Company values are disclosed on the Company website, Annual Report, Sustainability Report and ALS Intranet and reinforced throughout the business on a consistent and regular basis through practical and demonstrated leadership and management. [Rec 3.1]   | Yes                               |
| 3.2   | A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose its code of conduct for its directors, senior executives and employees;</li> <li>and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that Code.</li> </ul> | <b>Code of Conduct</b><br>Through established practices and policies, the Board supports the need for directors and employees to observe the highest standards of behaviour and business ethics. All directors, managers and employees are expected to act with integrity, striving at all times to enhance the reputation and performance of the Group. The Board's policies conform with the ASX guidelines.<br>Appropriate training programs on the Group's internal policies including workplace health and safety, environmental law compliance, trade practices legislation and affirmative action programs support this process.<br>Material breaches of the Code of Conduct are reported to the Audit & Risk Committee and the Board.<br>The Board recognises that managing "natural, human, social and other forms of capital" may also assist in creating value for shareholders. To this end the Board seeks, by the individual contributions of directors and by encouraging activities of its executives, to uphold community standards and to maintain good relations with community and government organisations. However, the Board seeks to balance these considerations in order to ensure that the claims of legitimate stakeholders do not prejudice or diminish the legitimate expectations of shareholders. The | Yes                               |

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|   |  | <p>Board does not support a process by which companies are regulated in their dealings in these areas, beyond the consideration of their programs to ensure compliance with legal and ethical standards.</p> <p>A revised Code of Conduct which draws together all of the Company's policies and codes was issued during the year and mandatory training of the Code undertaken by all staff globally. The Code of Conduct is available on the Company's website. [Rec 3.2(a)(b)]</p>   |                                   |
| 3.3   | <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p> | <p><b>Whistleblower Program</b></p> <p>A comprehensive Whistleblower Program operates within the Company to encourage employees to report suspected illegal or unethical behaviour or practice. A Company Integrity and Compliance hotline is operated by an independent 3<sup>rd</sup> party where reports can be made confidentially and anonymously. A Whistleblower policy online training course was delivered through the Company's internal online training platform to ensure those who report under the Whistleblower Program are supported and protected. All reports made under the program are reviewed and assessed by the Chief Risk Officer and material incidents are reported to the Audit and Risk Committee and Board. [Rec 3.3(a)(b)]</p>   | Yes                               |
| 3.4   | <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure the board or a committee of the board is informed of any material breaches of that policy.</p>    | <p><b>Anti-Bribery and Anti-Corruption</b></p> <p>A comprehensive Anti- Bribery and Anti-Corruption Program operates within the Company to educate our employees as to the significant risk that bribery and corruption presents to the business and its operations. The program ensures employees are equipped with the knowledge they need to be diligent in their efforts to address bribery and corruption risks and to maintain our core value of Honesty and Integrity.</p> <p>The Company's Anti-Bribery and Anti - Corruption policy, Guidelines for the Prevention of Bribery and Corruption and online Bribery and Corruption training course provide employees with guidance on preventing, detecting and managing bribery and corruption risks.</p> <p>All reports made under the program are reviewed and assessed by the Chief Risk Officer and material incidents are reported to the Audit and Risk Committee and Board. [Rec3.4(a)(b)]</p> | Yes                               |
| <p><b>Principle 4: Safeguard integrity in corporate reporting</b></p> <p><b>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</b></p> |  |   |                                   |



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| 4.1                | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> <li>i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director, who is not the chair of the board, and disclose:</li> <li>iii. the charter of the committee;</li> <li>iv. the relevant qualifications and experience of the members of the committee; and</li> <li>v. 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</li> </ul> <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><b>Audit and Risk Committee</b></p> <p>The Company has an established Audit and Risk Committee operating under a written Charter approved by the Board which is reviewed annually.</p> <p>The Audit and Risk Committee comprises three independent non-executive directors with an independent chairman who is not also chairman of the Board. The Audit and Risk Committee's Charter was reviewed during the year and affirmed by the Board. The Charter is available, along with other information suggested in the ASX guidelines, on the Company's website. [Rec 4.1(a)(i)(ii)(iii)]</p> <p>The names and qualifications of members of the Audit and Risk Committee are set out in the Directors' Report and in the Annual Report. [Rec 4.1(a)(iv)(v)]</p> <p>Other non-executive directors of the Board are entitled to be present at all meetings of the Committee. Meetings of the Committee are attended, by invitation, by the Managing Director, the Chief Financial Officer, the Chief Risk Officer, the engagement partner from the Company's external auditor and such other senior staff or professional people as may be appropriate from time to time.</p> <p>The number of meetings of the Committee held during the year is set out in the Directors' Report. [Rec 4.1(a)(v)]</p> <p>Minutes of all Committee meetings are provided to the Board and the Chairman of the Committee also reports to the Board after each Committee meeting.</p> <p><b>Auditor independence</b></p> <p>The external auditor, EY has declared its independence to the Board through its representations to the Committee and provision of its Lead Auditor's Independence Declaration to the Board, stating that there have been no contraventions of auditor independence requirements as set out in the Corporations Act or any auditors' professional code.</p> <p>The Audit and Risk Committee has examined detailed material provided by the external auditor and by management and has satisfied itself that the standards for auditor independence and associated issues are fully complied with.</p> | Yes                               |
| 4.2                | The board of a listed entity should, before it approves   | <b>Certification of financial reports</b>  | Yes                               |

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|   | 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>The Managing Director and Chief Financial Officer state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. The statements from the Managing Director and Chief Financial Officer are based on a formal sign off framework established throughout the Company and reviewed by the Audit and Risk Committee as part of the six-monthly financial reporting process. [Rec 4.2]</p> <p><b>Certification of risk management controls</b></p> <p>In conjunction with the certification of financial reports under Rec 4.2, the Managing Director and Chief Financial Officer state in writing to the Board each reporting period that:</p> <ul style="list-style-type: none"> <li>the statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.</li> <li>the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.</li> </ul> <p><b>Financial controls</b></p> <p>The Chief Financial Officer reports in writing and personally to each Board meeting, attends all meetings of the Audit and Risk Committee and provides written reports to that Committee.</p> |                                   |
| 4.3   | 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>Each year the Company releases to the market a Sustainability Report, the content of which covers four key areas of people, environment, society and governance. The financial data contained in the report is reviewed to ensure it is accurate and consistent with the Company's audited financial statements. Other core data such as health and safety or environmental metrics are reviewed by the company's auditor, EY, who provide limited assurance over a select set of data. Further details of EY's review process can be found in the Sustainability Report. [Rec 4.3]</p>  | Yes                               |
| <p><b>Principle 5: Make timely and balanced disclosure</b></p> <p><b>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.</b></p> |   |   |                                   |

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| 5.1                | <p>A listed entity should:</p> <p>(a) have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rule 3.1.</p>   | <p><b>Continuous Disclosure</b></p> <p>The Company has established policies and procedures for timely disclosure of material information concerning the Company. This includes internal reporting procedures in place to ensure that any material price sensitive information is reported to the Company Secretary in a timely manner. These policies and procedures are regularly reviewed to ensure that the Company complies with its obligations at law and under the ASX Listing Rules.</p> <p>The Company has a Continuous Disclosure policy which is published on the Company's website. [Rec 5.1(a)(b)]</p> <p>The Company undertook a review of its Continuous Disclosure policy during the year.</p> <p>The Company Secretary is responsible for communications with the Australian Securities Exchange (ASX) including responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing information going to the ASX, shareholders and other interested parties. The matter of continuous disclosure is a permanent item on the agenda for all Board meetings and is specifically addressed by each director at those meetings.</p> <p><b>Other Disclosure</b></p> <p>The directors have obligations under a Disclosure of Interests and Transactions in Securities Agreement entered into with the Company to inform the Company of any securities trading in the Company.</p> <p>The directors have made disclosure that they have no material margin lending terms in relation to their holding of Company securities.</p> | Yes                               |
| 5.2                | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.   | Announcements made to the ASX by the Company are distributed to all directors and published on the Company's website. [Rec 5.2]  | Yes                               |
| 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. | The Continuous Disclosure Policy outlines the process undertaken to ensure material market presentations are released to the ASX in a prompt manner. [Rec 5.3]   | Yes                               |

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| <b>Principle 6: Respect the rights of security holders</b><br><b>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.</b> |  |                                   |
| 6.1  | <p>A listed entity should provide information about itself and its governance to investors via its website.</p> <p><b>Communications strategy</b></p> <p>The Company aims to keep shareholders informed of the Company's performance and all major developments in an ongoing manner. Information is communicated to shareholders through:</p> <ul style="list-style-type: none"> <li>• the annual report which is published on the Company's website and distributed to shareholders where specifically requested;</li> <li>• the full year and half-year investor presentations which are published on the Company's website; and</li> <li>• other correspondence regarding matters impacting on shareholders as required.</li> </ul> <p>All material documents that are released publicly are made available on the Company's web site.</p> <p>Shareholders are able to view relevant Corporate Governance documents and Investor information on the Company's website at <a href="http://www.alsglobal.com">www.alsglobal.com</a>. [Rec 6.1]</p> <p>The Company will be publishing its 2021 Sustainability Report on its website in June 2021.</p> | Yes                               |
| 6.2  | <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> <p>The Company maintains a Head of Investor Relations position to provide a dedicated resource toward building enhanced engagement between the Company and its investors. The Head of Investor Relations plays a key role in communicating clear, accurate, credible and consistent information about the Company to both retail and institutional investors with the aim of ensuring a fair market price for the Company's shares over the long term.</p> <p>The Head of Investor Relations has developed and implemented an annual program of investor engagement underpinned by domestic and international post-results (full year and interim) teleconferences and meetings with financial analysts and institutional investors. [Rec 6.2]</p> <p>Investor Days and international roadshows and presentations at relevant industry and sector conferences are also held when possible and permissible during the year to promote the Company as a global investment opportunity.</p>                | Yes                               |

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| 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.   | <p>Shareholders are also encouraged to participate in the Annual General Meeting (AGM) to ensure a high level of accountability and identification with the Company's strategies and goals. Important issues are presented to shareholders as separate resolutions.</p> <p>Shareholders who are unable to attend the AGM may vote by appointing a proxy using the form included with the Notice of Meeting or via the online facility. The Company's Constitution allows for direct voting at the AGM, allowing shareholders to vote before the meeting without having to attend or appoint a proxy. Further, shareholders are also invited to submit questions in advance of the AGM so that the Company can ensure those issues are addressed at the meeting. [Rec 6.3]</p> <p>For the 2021 AGM, it is intended to conduct a hybrid meeting subject to restrictions imposed on the physical attendance of shareholders at the meeting by COVID-19.</p> | Yes                               |
| 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.   | It has been Company practice for voting on all resolutions to be conducted by a poll in recent years and it is intended that this practice will continue at the 2021 AGM. [Rec 6.4]  |                                   |
| 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.  | Shareholders have the option to receive communications from, and send communications to, the Company and its share registry, Boardroom Pty Limited, electronically. [Rec 6.5]  | Yes                               |
| <b>Principle 7: Recognise and manage risk</b><br><b>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</b> |   |  |                                   |
| 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>i. has at least three members, a majority of whom are independent directors; and</p> <p>ii. is chaired by an independent director,</p> | <p><b>Oversight of the risk management function</b></p> <p>The Company places a high priority on risk management and identification throughout the Group's operations and regularly reviews its adequacy in this regard. The Company incorporates the oversight of risk management within its Audit and Risk Committee (refer Principle 4). [Rec 7.1(a)]</p> <p>The Audit and Risk Committee comprises three independent non-executive directors with an independent chairman who is not also chairman of the Board. The Audit and Risk Committee's Charter was reviewed during the year and affirmed by the Board. The Charter is</p>   | Yes                               |

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|                    | <p>and disclose:</p> <p>iii. the charter of the committee;</p> <p>iv. the members of the committee; and</p> <p>v. 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>available, along with other information suggested in the ASX guidelines, on the Company's website. [Rec 7.1(a)(i)(ii)(iii)]</p> <p>The names and qualifications of members of the Audit and Risk Committee are set out in the Directors' Report and in the Annual Report. [Rec 7.1(a)(iv)(v)]</p> <p>Other non-executive directors of the Board are entitled to be present at all meetings of the Committee. Meetings of the Committee are attended, by invitation, by the Managing Director, the Chief Financial Officer, the Chief Risk Officer, the engagement partner from the Company's external auditor and such other senior staff or professional people as may be appropriate from time to time.</p> <p>The number of meetings of the Committee held during the year is set out in the Directors' Report. [Rec .1(a)(v)]</p> <p>Minutes of all Committee meetings are provided to the Board and the Chairman of the Committee also reports to the Board after each Committee meeting.</p> <p>Under the guidance of the Audit and Risk Committee, a comprehensive risk control program has been developed which includes legislative compliance and property protection audits using risk assessors, self-audits, engineering and professional advisers.</p> <p>Matters in relation to health, safety and the environment are carried out by the Sustainability and Innovation Committee. [refer Rec 7.4 for further details].</p> <p>The Chief Risk Officer reports in writing to the Board each month and personally to meetings of the Audit and Risk Committee and supervises not only the six-monthly sign off process but also the follow up of any non-compliances or identified areas requiring further training or risk management.</p> <p>The Company's Risk Management Policy and internal compliance and control system were reviewed and re-affirmed during the year and are available on the Company's website.</p> |                                   |
| 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</p>   | <p>The Company has a qualified Chief Risk Officer who oversees the design and implementation of the risk control program, monitors performance and develops appropriate programs to enhance awareness and compliance. These programs include training for employees, using both internal and external experts. Regular review meetings are held with divisional general managers and senior personnel to provide guidance and</p>  | Yes                               |

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|                    | <p>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>strategies for implementation of risk mitigation measures in their businesses.</p> <p>During the year, the Audit &amp; Risk Committee reviewed, and the Board adopted the Risk Management Program presented by the Chief Risk Officer, which outlined the Group's overall risk profile and the Group's management of its material business risks. [Rec 7.2(a)(b)]</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> | <p><b>Internal audit</b></p> <p>The Company has established robust internal assurance processes including a dedicated internal audit program. The Company utilises both external and internal resources to provide an internal audit function. [Rec 7.3(b)]</p> <p>The Company is mindful to ensure a suitable level of independence is achieved in this internal control program and regularly reports to the Audit and Risk Committee in an objective manner allowing for assurance that key risks are being accurately evaluated and reported. Coordination of the internal controls program is undertaken by the Chief Risk Officer who operates in a corporate role and is independent to the Business Divisions.</p> <p>An internal audit plan is established and designed to provide a suitable level of assurance to the CEO and Audit and Risk Committee that internal controls are operating effectively and efficiently.</p> <p>A number of different approaches are utilised as part of the Internal Audit Plan. These include:</p> <ul style="list-style-type: none"> <li>• Peer reviews using the financial controllers independent to their own business divisions undertaking audits across the group within their area of expertise e.g. finance, tax, accounting practices, etc.,</li> <li>• Control self-assessments completed by divisional financial controllers using a standardised review checklist,</li> <li>• Utilisation of external audit firms to review specific risks in certain areas,</li> <li>• Investigation reporting using Forensic Data Analytics tools,</li> <li>• Six-monthly accounting signoffs completed by all financial controllers,</li> <li>• Fraud control plan (reviewing the effectiveness of dissemination of Code of Conduct, the Company's Whistleblower policy, and monitoring of the</li> </ul> | Yes                               |

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|                    |   | whistleblower program - ALS Integrity Hotline).  |                                   |
| 7.4                | A listed entity should disclose whether it has any material exposure to economic, environmental or social risks and, if it does, how it manages or intends to manage those risks. | <p><b>Economic, Environmental and Social Sustainability Monitoring</b></p> <p>ALS acknowledge the need to focus on the risk surrounding social responsibility and accordingly have implemented a number of standards to address economic, environmental and social sustainability risks that are monitored across all of its businesses. Risks associated with economic, environmental and social sustainability have been included on the Company's material business risk register to ensure they are included in a robust risk assessment and management process.</p> <p>The Sustainability and Innovation Committee is chaired by independent non-executive director, Charlie Sartain whom assists the Board with effective discharge of its responsibilities in relation to oversight and review of the above matters. The Company's Chief Risk Officer oversees and manages the design and implementation of the sustainability program, monitors performance and develops appropriate programs to enhance awareness and compliance.</p> <p>The names and qualifications of members of the Sustainability and Innovation Committee are set out in the Directors' Report within the Annual Report.</p> <p>Other non-executive directors of the Board are entitled to be present at all meetings of the Committee. Meetings of the Committee are attended, by invitation, by the Managing Director, the Chief Risk Officer, the General Counsel &amp; Company Secretary and such other senior staff or professional people as may be appropriate from time to time.</p> <p>The number of meetings of the Committee held during the year is set out in the Directors' Report.</p> <p>Minutes of Committee meetings and an update from the Committee Chairman is provided to the Board after each Committee meeting.</p> <p>As part of its reporting commitment, the Company will be publishing its 2021 Sustainability Report in June 2021 which will be made available on its website.</p> <p>The report will be guided by the Global Reporting Initiative (GRI) principles and include disclosures of material environmental, social and governance (ESG)</p> | Yes                               |



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|   |  | risks of the Company's business activities, and how these are managed.   |                                   |
| <b>Principle 8: Remunerate fairly and responsibly</b><br><b>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.</b> |  |  |                                   |
| 8.1   | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>i. has at least three members, a majority of whom are independent directors; and</li> <li>ii. is chaired by an independent director, and disclose:</li> <li>iii. the charter of the committee;</li> <li>iv. the members of the committee; and</li> <li>v. 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</li> </ul> <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>The People Committee of the Board of Directors is responsible for reviewing and recommending compensation arrangements for the senior management team (excluding the CEO). The People Committee assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and management team.</p> <p><b>People Committee</b></p> <p>The People Committee comprises four independent non-executive directors with an independent chairman. [Rec 8.1(a)(i)(ii)]</p> <p>Names of members and their attendance at meetings of the Committee are set out in the Directors' Report. [Rec 8.1(a)(iv)(v)]</p> <p>The People Committee Charter was reviewed and updated during the year and is available on the Company's website. [Rec 8.1(a)(iii)]</p> <p>Areas of focus for the Committee include performance management, workplace culture, key talent development and succession planning, diversity and broader human resources risk management.</p> <p>Matters pertaining to non-executive directors and the CEO are responsibilities of the Nominations Committee.</p> | Yes                               |
| 8.2   | A listed entity should separately disclose its policies and practices  | Executives, other than the non-executive directors, are given the opportunity to receive their base remuneration in the form of cash   | Yes                               |

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| <p>regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>and non-cash benefits. To assist in achieving these objectives, the Company's remuneration policy links the nature and amount of senior executives' remuneration to the Company's financial and operational performance.</p> <p>All key senior executives have the opportunity to qualify for participation in the Company's Short-Term Incentive (STI) and Long-Term Incentive (LTI) Plans which currently provide benefits where specified performance criteria are met. [Rec 8.2]</p> <p>Key executives are those who are directly accountable and responsible for the operational management and strategic direction of the Company and the consolidated entity.</p> <p><b>Structure of remuneration</b></p> <p>The structure of non-executive directors' remuneration and that of executives is set out in the 'Remuneration Report' section of the Directors' Report.</p> <p>Details of the nature and amount of each element of the remuneration of each director of the Company and each key executive of the Company and the consolidated entity having responsibility for its operational performance for the financial year are disclosed in the 'Remuneration Report' section of the Directors' Report. The current non-executive directors' (NED) fee pool of \$1.65 million (inclusive of statutory superannuation) was last approved by shareholders at the 2018 AGM. Rec 8.2]</p> <p>The Company maintains minimum shareholding guidelines for non-executive directors who are expected to accumulate a minimum shareholding of one year's after-tax fees – this may be built up over a three-year period from date of commencement. A minimum shareholder requirement will be introduced in FY22 for senior executives. Details are set out in the 'Remuneration Report' section of the Directors' Report.</p> <p>The quantum of the shareholding will be based on cost outlay made to acquire the shares and the fees quantum will be based on net fees assuming the top marginal PAYG Taxation rate.</p> <p><b>Directors' retirement benefits</b></p> <p>There are no Directors' retirement benefits other than statutory superannuation.</p> <p>Details are set out in the 'Remuneration Report' section of the Directors' Report. [Rec 8.2]</p> |                                   |

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| 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> | <p><b>Share-based plans</b></p> <p>The People Committee is responsible for reviewing recommendations with respect to issues or grants under the Company's share-based plans. Directors approve issues or grants under the plans only after being satisfied that this is in accordance with the terms of shareholders' approval.</p> <p><i>Long Term Incentive Plan</i></p> <p>Shareholders approved the Company's Long-Term Incentive Plan (LTIP) at the 2008 AGM. Under the plan, key employees may be granted conditional performance rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases, to receive cash-settled awards). Details of performance rights granted and vested under the Company's LTIP during the financial year are set out in the Remuneration Report section of the Financial Report. [Rec 8.3]</p> <p>The Board has established written guidelines, set out in its Securities Trading Policy, that include provisions relating to prohibiting directors and senior executives in the Company's from hedging arrangements in relation to any unvested securities of the Company and the requirement to disclose to the Board any securities in the Company that are held as security in a margin loan arrangement.[Rec 8.3(a)]</p> <p>The Securities Trading Policy was reviewed and updated by the Board during the year. It is published on the Company's website. [Rec 8.3(b)]</p> <p>LTIP rules prohibit those who are granted performance rights from entering into arrangements that limit their exposure to share price decreases in relation to unvested performance rights. [Rec 8.3(a)]</p> <p>A summary of the LTIP rules and the policy on prohibiting arrangements that limit exposure are set out in the Remuneration Report section of the Financial Report. [Rec 8.3(b)]</p> <p><i>Short Term Incentive Plan</i></p> <p>The KMP Short Term Incentive Plan (KSTIP) is structured so that if the financial outperformance target level is achieved, it will result in a portion of the STI payment to be deferred into service rights (with a right to an ALS share upon vesting). The period of deferral will be two (2) years with the executive required to still be employed by the Group at the end of the period to receive the shares.</p> | Yes                               |