

This is the 2023 Corporate Governance Statement of Propel Funeral Partners Limited (ACN 616 909 310) (the 'Company'), and has been prepared in accordance with the 4<sup>th</sup> Edition (February 2019) of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations'). It outlines the key aspects of the Company's corporate governance framework and main governance practices.

This Corporate Governance Statement has been approved by the Company's Board of Directors ('Board'), and is current as at 24 August 2023. This statement is available on the Company's website at <https://investors.propelfuneralpartners.com.au/investor-centre/?page=corporate-governance>.

The Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in either this Corporate Governance Statement, the Company's website or the Company's annual report for 2023 (**Annual Report**), has been filed with ASX on 24 August 2023, as required under Listing Rules 4.7.3 and 4.10.3.

The ASX Principles and Recommendations and the Company's response as to how and whether it follows those recommendations are set out below:

**Principle 1: Lay solid foundations for management and oversight (a listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance)**

***Recommendation 1.1 - A listed entity should have and disclose a board charter setting out:***

- (a) the respective roles and responsibilities of its board and management; and***
- (b) those matters expressly reserved to the board and those delegated to management.***

The Board is ultimately accountable for the performance of the Company. It is responsible for overseeing all corporate reporting systems, governance issues, stakeholder communications, material profits upgrades and downgrades, debt and equity raisings, dividends and other capital management initiatives.

Full meetings of the Board are held at least four times a year, and other meetings are called as required. Directors are provided with board reports in advance of meetings, which contain sufficient information to enable informed discussion of all agenda items.

The responsibility for the day to day operations of the Company and its subsidiaries (**Group**), including being principally responsible for identifying and consummating transactions which are consistent with the Company's acquisition led investment strategy, is delegated by the Board to the Company's senior executives (**Senior Executives**). The Board ensures that the Senior Executives are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Senior Executives.

***Recommendation 1.2 - A listed entity should:***

- (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and***
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.***

During the year ended 30 June 2023, no new directors or senior executives were appointed and no director or senior executive resigned from their position. Checks, appropriate in the Board's opinion, would be undertaken before any new directors or senior executives are appointed, and relevant information would be provided to shareholders for their consideration about the key attributes of any persons being appointed to the role of a director.

***Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.***

The terms of the appointment of all non-executive independent directors have been agreed upon and were set out in writing at the time of their appointment.

Each Senior Executive is party to an employment service agreement, which sets out their terms of appointment.

**Recommendation 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 company secretary of the Company is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

**Recommendation 1.5 - A listed entity should:**

- (a) have and disclose a diversity policy;**
- (b) through its board or committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and**
- (c) disclose in relation to each reporting period:**
  - (1) the measurable objectives set for that period to achieve gender diversity;**
  - (2) the entity's progress towards achieving those objectives; and**
  - (3) either:**
    - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or**
    - (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.**

The Group respects and values diversity in the Board and workforce at all levels as reflected in the diversity policy which is set out in the board approved Corporate Governance Charter, a copy of which is available on the Company's website ('**Corporate Governance Charter**').

Among other things, the policy requires the Board to set measurable objectives for achieving gender diversity and to assess the objectives and the Company's progress towards achieving them. The diversity policy aims to provide a work environment where employees and directors have equal access to career opportunities, training and benefits. It also aims to ensure that employees and directors are treated with fairness and respect, and are not judged by unlawful or irrelevant reference to gender, age, ethnicity, race, cultural background, disability, religion, sexual orientation or caring responsibilities.

The Board's measurable objective about gender diversity has been set at 30% for the directors and the Senior Executives. As at the date this Corporate Governance Statement was approved by the Board, the Company achieved this target, with one third of the Company's directors being women, and one third of the Senior Executives being women.

Under the Workplace Gender Equality Act, the Company is considered to be a "relevant employer" and lodged its 2023 reports, which included a workplace profile and reporting questionnaire. Details of the most recent "Gender Equality Indicators" (as defined in, and published under, that Act) are available on the Company's website.

**Recommendation 1.6 – A listed entity should:**

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and**
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

Section 1.2 of the Corporate Governance Charter outlines that an internal performance evaluation of the Board will be undertaken at intervals considered appropriate. A review of the Board's performance, as well as the performance of individual committees and individual directors (including the performance of the Chair as Chair of the Board, the Chair of the Audit and Risk Committee and the Chair of the Remuneration and Nomination Committee) was not conducted during the 12 months prior to the date of this Corporate Governance Statement, however such a review is scheduled to occur during the 12 months ending 30 June 2024. The use of an external facilitator may be utilised to assist in the review process, but to date an external facilitator has not been utilised.

**Recommendation 1.7 – A listed entity should:**

- (a) **have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and**  
(b) **disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

The performance of the Senior Executives is evaluated each year by the Remuneration and Nomination Committee. The use of an external facilitator may be utilised to assist in the evaluation process, if the Board considers appropriate. An evaluation was conducted in the year ended 30 June 2023.

**Principle 2: Structure the board to be effective and add value (the board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value)**

**Recommendation 2.1 – The board of a listed entity should:**

**have a nomination committee which:**

- (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**  
(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.**

The Company's Remuneration and Nomination Committee consists of four members, being the independent directors (Brian Scullin, Naomi Edwards, Peter Dowding and Jennifer Lang). The Remuneration and Nomination Committee Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The Remuneration and Nomination Committee is chaired by Naomi Edwards, who is not the Chair of the Board, but who is an independent non-executive director of the Company.

Details of the qualifications and experience of the members of the Remuneration and Nomination Committee is detailed in the 'Information of directors' section of the Directors' report (which forms part of the Annual Report).

The responsibilities of the Remuneration and Nomination Committee include:

- determining Board and committee size and composition;
- director candidate selection, appointment, election and re-election;
- director induction and continuing professional development;
- evaluating the performance of the Board, its committees and individual directors;
- succession planning for the Board (in particular the Chairperson) and the Senior Executives;
- assisting the Board in overseeing the Company's human resources policies and activities; and
- overseeing the Company's strategies and policies relating to organisational structure, culture, diversity targets, employee performance and development, succession planning, growth and remuneration.

Details of the risk monitoring duties of the Remuneration and Nomination Committee are set out in the Principle 7 commentary below.

During the 12 months ended 30 June 2023, there were five meetings of the Remuneration and Nomination Committee. The number of meetings of the Remuneration and Nomination Committee held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

**Recommendation 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.**

The skills matrix used by the Board, which is set out below, indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. It is an important, but not the only, basis of criteria applying to director appointments. It would be used when recruiting new directors and is used when assessing which skills need to be outsourced based on the attributes of the current members of the Board. The existence of each attribute is assessed by the Board as either, High, Medium or Low.

<b>Skill category</b>	<b>Description of attributes required</b>	<b>Level of importance</b>	<b>Existence in current Board</b>
Legal, risk and compliance	Identification of key risks to the Company related to each key area of operations. Monitoring of risks, satisfy compliance issues and knowledge of legal and regulatory requirements.	High	Medium
Financial, accounting and audit	Analysis and interpretation of accounting and finance issues including assessment and resolution of audit and financial reporting risks, contribution to budgeting and financial management of projects and Company, assessing and supervising capital management.	High	High
Strategic	Development of strategies to achieve business objectives, oversee implementation and maintenance of strategies, and identification and critical assessment of strategic opportunities and threats to the Company.	Medium	High
Operating policies	Key issue identification representing operational and reputational risks and development of policy responses and parameters within which the Company should operate.	Medium	Medium
Information technology	Knowledge of IT governance including privacy, data management and security.	Medium	Medium
Executive management	Performance assessments, succession planning, setting of key performance hurdles, experience in industrial relations and organisational change management programmes.	High	Medium
Age and gender	Board aims for appropriate gender representation and range of experienced individuals to contribute towards better Board outcomes.	Medium	Medium
M&A / capital management / undertakings of capital markets	Experience developing policies and frameworks to support sound corporate governance, including the identification and monitoring of material risks.	High	High
Sustainability and corporate responsibility	Understanding and insight into issues, strategies and initiatives relating to social responsibility and sustainability.	Medium	Medium

The Board currently believes that its membership adequately represents the required skills as set out in the matrix and therefore does not intend to seek any new or alternative candidates at this time. External consultants may be brought in with specialist knowledge to address areas where this is a clear deficiency in the Board.

In addition to the specific technical and professional areas of expertise identified in the matrix above, the Company believes that directors' soft skills are equally important and relevant in discharging director responsibilities, to review and refine the strategic direction and oversee performance. These skills include the ability to work effectively as a team while maintaining the ability to challenge and hold independence of thought. High integrity, a sense of curiosity and commitment to continuous learning and are all considered important attributes for a well-functioning board. Other attributes to be assessed are provided in the table below:

**Board member attributes**

Leadership	Represents the Company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered; leads others to action; proactive solution seeker.
Ethics and integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks.

Further information on the directors is detailed on pages 12, 13, 25, 26, 27 and 28 of the Annual Report.

**Recommendation 2.3 - A listed entity should disclose:**

- (a) the names of the directors considered by the board to be independent directors;**
- (b) if a director has an interest, position 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**
- (c) the length of service of each director.**

Details of the directors, their appointment date, length of service and independence status is as follows:

<b>Director's name</b>	<b>Appointment date</b>	<b>Length of service at reporting date</b>	<b>Independence status</b>
Brian Scullin	11 September 2017 *	57 months	Independent Non-executive
Naomi Edwards	19 September 2017 *	57 months	Independent Non-executive
Jennifer Lang	6 May 2022	15 months	Independent Non-executive
Peter Dowding	6 May 2022	15 months	Independent Non-executive
Albin Kurti	11 January 2017	65 months	Non-Independent executive (Chief Executive Officer and Managing Director)
Fraser Henderson	11 January 2017 *	65 months	Non-Independent executive (Head of M&A, General Counsel and Company Secretary)

\* Jennifer, Peter and Naomi were most recently re-elected as directors by shareholders at the 2022 AGM. Shareholders will be asked to re-elect Brian and Fraser at the 2023 AGM.

Albin Kurti and Fraser Henderson are not considered by the Board to be independent. Each of Brian Scullin, Naomi Edwards, Jennifer Lang and Peter Dowding are considered independent as per the criteria outlined in the Company's Board Policy which includes the Company's criteria for independence of Directors. The criteria is in accordance with the ASX Corporate Governance Council's Principles.

All directors are resident in Australia. It is intended that each director (other than the Chief Executive Officer and Managing Director) will stand for re-election on a three year rotational basis and otherwise as required by the ASX Listing Rules. Accordingly, and as stated above, Brian and Fraser intend to stand for re-election at the 2023 AGM.

None of the independent directors maintain an interest or relationship of the type described in Box 2.3 of the ASX Corporate Governance Council's Principles that could be perceived as impairing independence.

***Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.***

Having regard to the response to Recommendation 2.3 above, the majority of the Board as at 30 June 2023 were independent.

***Recommendation 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.***

Brian Scullin is Chair of the Board and is considered to be an independent, non-executive director of the Company. He is not the CEO.

***Recommendation 2.6 - A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.***

Any new directors would undertake an induction program that briefs and informs the new director on all relevant aspects of the Company's operations and background (including their rights, duties and responsibilities, the Company's investments and the Company's financial, strategic, operational and risk management position).

Periodically, the Remuneration and Nomination Committee consider whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

**Principle 3: Instil a culture of acting lawfully, ethically and responsibly (a listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly)**

***Recommendation 3.1 - A listed entity should articulate and disclose its values.***

The Company has adopted, and maintains, a code of conduct, which includes the Company's values. This code of conduct is set out in the Corporate Governance Charter (a copy of which is available on the Company's website).

***Recommendation 3.2 - A listed entity should:***

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and***
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.***

Refer to the response to Recommendation 3.1 above.

The Board is required to be informed of any material breaches of the Company's code of conduct.

***Recommendation 3.3 - A listed entity should:***

- (a) have and disclose a whistleblower policy; and***
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.***

The Company maintains a whistleblower policy, and a copy of it is on the Company's website. The Board acknowledges that a transparent whistleblower policy is essential to good risk management and corporate governance. All employees are encouraged to speak up about any unlawful, unethical or irresponsible behaviour noted under the whistleblower policy.

The whistleblower policy requires that the Board or the Audit and Risk Committee is notified of any material incidents reported under the policy.

**Recommendation 3.4 - A listed entity should:**

- (a) have and disclose an anti-bribery and corruption policy; and**  
**(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.**

The Board has adopted an anti-bribery and corruption policy, which is set out in the Company's Corporate Governance Charter (a copy of which is available on the Company's website). The policy details, among other things, that the giving of bribes, other improper payments such as secret commissions, benefits to public officials, and offering or accepting of gifts, entertainment or hospitality can be illegal or otherwise damage the reputation of the Company. The anti-bribery and corruption policy contained within the code of conduct is reviewed annually. Under the policy, the Board will be notified of any material breaches. As part of its charter, the Audit and Risk Committee is also responsible for reviewing the independence and effectiveness of the Company's processes and reporting for detecting, reporting and preventing inappropriate business conduct, fraud and breaches of anti-corruption law.

**Principle 4: Safeguard integrity of corporate reporting (a listed entity should have appropriate processes to verify the integrity of its corporate reports)**

**Recommendation 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 the external auditor and the rotation of the audit engagement partner.**

The Board maintains a combined Audit and Risk Committee, which consists of four members, being the independent directors (Brian Scullin, Naomi Edwards, Jennifer Lang and Peter Dowding). The Audit and Risk Committee Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The committee is chaired by Jennifer Lang, who is not the Chair of the Board, but who is an independent non-executive director.

Details of the qualifications and experience of the members of the Audit and Risk Committee is detailed in the 'Information of directors' section of the Directors' report (which forms part of the Annual Report).

The responsibilities of the Audit and Risk Committee in relation to financial reporting are to:

- monitor the quality and reliability of the financial information prepared by the Company and the senior executives for approval by the Board;
- review and report to the Board on the financial statements and related notes, and on the external auditor's audit of the financial statements and the accompanying report;
- recommend to the Board the appointment and removal of the external auditor, review the terms of its engagement including arrangements for the rotation of external audit partners, and the scope and quality of the audit; and
- monitor auditor independence.

Details of the risk monitoring duties of the Audit and Risk Committee are set out in the response to Principle 7 below.

The Audit and Risk Committee meet with the external auditor, Nexia Sydney Audit Pty Ltd, at least twice a year and more frequently if required.

During the 12 months ended 30 June 2023, there were five meetings of the Audit and Risk Committee. The number of meetings of the Audit and Risk Committee held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

***Recommendation 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.***

Before it approves its financial statements for a financial period, the Board receives from its CEO/Managing Director 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.

***Recommendation 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.***

The Audit and Risk Committee is responsible for all corporate reports released to the market, as outlined in the Audit and Risk Committee Charter. The Audit and Risk Committee is required to satisfy itself that a report is materially accurate, balanced and provides investors with appropriate information to make informed decisions before it is released to the market.

**Principle 5: Make timely and balanced 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)**

***Recommendation 5.1 - A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.***

The Company maintains a written policy (refer to the Continuous Disclosure Policy contained in the Corporate Governance Charter) that outlines the responsibilities relating to the directors and officers / employees of the Company in complying with the Company's disclosure obligations. In summary, the policy is to provide, consistent with applicable laws, timely, open and accurate information to all stakeholders, including investors, regulators and the wider investment community.

The Company has established a disclosure committee for the purposes of monitoring whether a matter needs to be disclosed and, if so, to what extent. Generally, the disclosure committee, which is comprised of at least three members, including a minimum of two directors, is responsible for decisions relating to the making of market announcements, and will authorise announcements of significance for the Company.

The Company's policy prohibits the disclosure of market sensitive information to any person without prior confirmation that the relevant information has already been released to the market.

***Recommendation 5.2 - A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.***

The Company Secretary forwards all material market announcements to the Board promptly after they have been made.



***Recommendation 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 Company releases its yearly and half yearly investor presentation materials to the ASX prior to the presentation. If presentation materials were to be prepared that contained new or substantive information regarding the Company, that presentation would also be released to the ASX prior to the presentation.

**Principle 6: Respect the rights of security holders (a listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively)**

***Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.***

Both directly and through its agreement with Link Market Services, its current share registry provider, the Company provides information about itself and its governance to investors via its website.

***Recommendations 6.2 and 6.3***

***A listed entity should have an investor relations program that facilitates effective two-way communication with investors (6.2).***

***A listed entity should disclose how it facilitates and encourages participation at meetings of security holders (6.3).***

The Board has developed a shareholder communications strategy outlined in Section 2.15 of the Corporate Governance Charter to ensure that the Company's shareholders are informed of all major developments affecting the Company's performance, activities and state of affairs. In addition to the matters identified below, this includes having a website to facilitate communication with shareholders via electronic methods.

In order for investors to gain a greater understanding of the Company's business and activities, the Company schedules reasonably regular interactions between the Senior Executives and institutional and private investors (domestic and offshore), analysts and, to a lesser extent, the financial media. The Company's policy for these meetings prohibits discussion of material price sensitive information prior to that information being announced to the market.

The Company encourages shareholders to attend general meetings, including its AGMs, and to send in questions prior to an AGM so that they may be responded to during the meeting (see Section 2.15 of the Corporate Governance Charter). The Company would generally answer ad hoc email enquiries which are received from time to time. The external auditor will also be invited to attend the AGM and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.

Investors are provided with an annual report and financial statements, either by accessing the Company's website, or in hard copy if specifically requested, which keep them informed of the Company's performance and operations. Investors are notified when this material becomes available and are provided with details of how to access it.

The Company lodges market-sensitive information with the ASX, which is then placed on the Company's website by its share registry, including annual and interim financial results announcements and analyst presentations, as soon as practicable.

The Company is required to hold an annual general meeting. The date and location of the 2023 AGM will be set out in the relevant notice of meeting. For formal meetings (including the annual general meeting), an explanatory memorandum on the resolutions to be proposed is included with the notice of meeting. Unless specifically stated in the notice of meeting, all holders of fully paid shares are eligible to vote on all resolutions. In the event that shareholders cannot attend formal meetings, they are able to lodge a proxy in accordance with the Corporations Act 2001 (Cth). Proxy forms can be mailed, lodged by fax or lodged online.

**Recommendation 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.**

The Company's constitution allows for a resolution to be decided by a poll when it is requested by the Chair. Accordingly, the Chair will request a poll for all substantive resolutions at a meeting of security holders.

**Recommendation 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.**

The Company engages its share registry provider (currently, Link Market Services) to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can, and are urged to, elect to do so through the Company's share registry provider, currently Link Market Services.

**Principle 7: Recognise and manage risk (a listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework)**

**Recommendations 7.1 and 7.2**

**The board of a listed entity should:**

- (a) have a committee or committees to oversee risk, each of which:**
- (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**
- (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 (7.1).**

**The board or a committee of the board should:**

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and**
- (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).**

As stated in the response to Recommendation 4.1 above, the Board maintains a combined Audit and Risk Committee. The members of the Audit and Risk Committee are detailed in the response to Recommendation 4.1 above and details of their respective qualifications and experience is contained in the 'Information of directors' section of the Directors' report.

As noted above, all members of the Audit and Risk Committee are independent. The Audit and Risk Committee is chaired by Jennifer Lang, an independent non-executor director.

The Audit and Risk Committee Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The Audit and Risk Committee reviews the Company's risk management framework from time to time to ensure that it is still suitable to the Company's operations and objectives and that the Company is operating within the risk parameters set by the Board. A formal review by the Audit and Risk Committee was undertaken during the 12 months prior to the date of this Corporate Governance Statement. The Audit and Risk Committee has concluded that the Company is operating with due regard to the risk appetite set by the Board.

The number of meetings of the Audit and Risk Committee held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

**Recommendation 7.3 - A listed entity should disclose:**

- (a) if it has an internal audit function, how the function is structured and what role it performs; or**  
**(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.**

The Company does not currently maintain a dedicated internal audit function. However, subsidiaries of the Company employ more than ten CA or CPA qualified accountants, including the Company's Chief Financial Officer. The Company has adopted processes for evaluating and continually improving the effectiveness of its risk management and internal control processes. Examples of internal controls adopted by the Company include, but are not limited to, segregation of duties procedures, approved authority level policies, consistent and detailed accounting policies, a risk register and procedures to identify risks in respect of fraud. The Audit and Risk Committee reviews the Company's risk management and internal control processes to ensure they are effective and adequate.

**Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.**

Reference is made in the Annual Report to disclosures relating to the Company's material business risks (including those that could adversely affect the Company's prospects for future financial years) and how these risks are managed. Other than as previously disclosed, the Company does not have any material exposure to economic, environmental and social sustainability risks. Any additional material risks would be announced to the market in accordance with the requirements of the ASX Listing Rules.

Reference is also made to the response to Recommendations 7.1 and 7.2 for information on the Company's risk management framework.

**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 and with the entity's values and risk appetite)**

**Recommendation 8.1 - The board of a listed entity should:**

- (a) have a remuneration committee which:**
- (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**
- (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.**

As stated in the response to Recommendation 2.1 above, the Board has established a combined Remuneration and Nomination Committee. It has four members, all of whom are independent directors. It is chaired by an independent director (Naomi Edwards). The members of the Remuneration and Nomination Committee are detailed in the response to Recommendation 2.1 above and details of their respective qualifications and experience is contained in the 'Information of directors' section of the Directors' report. The Remuneration and Nomination Committee Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The number of meetings of the Remuneration and Nomination Committee held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

***Recommendation 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.***

Shareholders have approved \$750,000 as the maximum amount to be paid to the non-executive directors in each financial year (in aggregate). In respect of the year ended 30 June 2023, the fees paid to the non-executive directors were \$309,000 (FY22: \$248,826) in aggregate. The annual directors' fees agreed to be paid in the year ended 30 June 2023 to the Chairman was \$103,000 (FY22: \$100,000) (inclusive of superannuation), to the Chair of the Audit and Risk Committee was \$72,100 (FY22: \$70,000) (inclusive of superannuation), to the Chair of the Remuneration and Nomination Committee was \$72,100 (FY22: \$70,000, but paid on a pro-rata basis) (inclusive of superannuation) and to the other non-executive director was \$61,800 (FY22: \$60,000, but paid on a pro-rata basis) (inclusive of superannuation). The Board considers that these fees are appropriate and not excessive. It is noted that directors do not receive bonuses nor are they issued options over shares as part of their remuneration.

The level of remuneration reflects the anticipated time commitments and responsibilities of the position. Performance based incentives are not available to non-executive directors. Fees paid to the non-executive directors are set at levels reflecting market rates.

Each Senior Executive is party to an employment services agreement, which contains duties, obligations, remuneration and other terms and conditions.

Further details in relation to the Company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

***Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.***

The Company does not have an equity-based remuneration scheme.

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