

# Corporate Governance Statement

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Kelsian Group Limited (**Kelsian**)

ACN 109 078 257

*22 September 2023*

## Introduction

Kelsian Group Limited (“Kelsian” or the “Company”) recognises that effective corporate governance is a foundational element contributing to the preservation of shareholder value and longer term company success. The Board of Kelsian Group Limited is committed to maintaining and enhancing its corporate governance framework and reviews its framework and practices regularly so as to ensure it consistently reflects market practices and shareholder expectations.

The Board believes that the governance policies and practices adopted by Kelsian during the reporting period for the year ended 30 June 2023 are consistent with good corporate governance practices in Australia appropriate for the circumstances of the Company, including the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (4th Edition) (“ASX Principles”).

During the reporting period, Kelsian followed all of the recommendations in the ASX Principles other than in relation to the Chair of the Board being an independent director (recommendation 2.5).

This Corporate Governance Statement is current as at 22 September 2023 and has been approved by the Board of Directors of the Company.

## PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### *Recommendation 1.1 – Board Charter and Responsibilities*

The Board of Directors is accountable to shareholders for the performance and governance of the Company. Accordingly, it is responsible for overseeing the overall operational and financial performance of the Company and its subsidiaries (the “Group”), reviewing and approving its business strategy and its strategic direction.

Day to day management of the Company’s affairs, and the implementation of the corporate strategy and policy initiatives, is formally delegated by the Board to the Chief Executive Officer of the Group.

The Board operates in accordance with the general principles set out in its charter which is available from the corporate governance section of the [Kelsian website here](#).

The Board charter clearly sets out its role and responsibilities and describes those matters expressly reserved for the Board’s determination and those matters delegated to senior management.

Key responsibilities of the Board include, among other things:

- Setting and overseeing the Company’s purpose, strategic direction and achievement of related objectives;
- Approving the Company’s statement of values and code of conduct;
- Review and approval of budgets; overseeing and monitoring of financial performance, accounting and corporate reporting systems and external audit;
- Appointing and reviewing the performance of the Managing Director and Group Chief Executive Officer;
- Monitoring and reviewing effectiveness of management processes, and governance practices and policies;
- Ensuring all significant business risks are identified and effectively managed; and
- Ensuring that the Company meets its legal and statutory obligations including compliance with ASX Listing Rules disclosure requirements.

For purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company’s expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required.

Management is responsible for providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities. Information provided to the Board includes all material information on the Group’s operations, budgets, cash flows, funding requirements, shareholder movements and share pricing, assets and liabilities, disposals, financial accounts, external audits, internal controls, material risks, safety and environmental management and new venture proposals.

**Recommendation 1.2 – Director and Senior Executive Appointments**

Once the Board decides that a new Director is to be appointed, candidates are considered including using the services of external consultants to locate candidates and conduct searches, if considered appropriate. Proposed candidates are considered by the Board, and appropriate interviews, reviews and checks are conducted prior to an appointment being made.

Directors' details, including their relevant qualifications and experience, the skills they bring to the Board, details of any other material directorships, and any potential conflicts of interest or other associations with the Company are disclosed in the Annual Report, and presented to shareholders at the Annual General Meeting or any other meeting where the election or re-election of Directors is proposed.

Upon appointment, Directors are given detailed background information on the Company and its operations, and the commitment required to meet the expectations of their role.

Similarly, should a new senior executive appointment be proposed, a thorough recruitment process and appropriate checks are undertaken prior to appointment of a potential candidate as part of our processes.

**Recommendation 1.3 – Written Agreement with each Director and Senior Executive**

Non-Executive Directors are engaged by the Company under letters of appointment and senior executives are engaged under employment contracts setting out the terms of their appointment and addressing the roles and responsibilities of the individuals.

Details of remuneration of directors and senior executives are set out in the Remuneration Report in the Annual Report.

**Recommendation 1.4 – Company Secretary Accountability**

The Company Secretary is responsible for supporting the effectiveness of the Board and is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Appointment or removal of a company secretary is approved by the Board.

**Recommendation 1.5 – Diversity**

Kelsian recognises that a talented and diverse workforce is a key competitive advantage and that success is a reflection of the quality and skills of our people. Kelsian benefits by bringing together people of diverse backgrounds.

Kelsian acknowledges Australia's Aboriginal and Torres Strait Islander communities and their cultures, and pays respect to their Elders past, present, and emerging. We acknowledge Aboriginal and Torres Strait Islander people as Australia's first peoples, and as the Traditional Custodians of the land and water on which we rely for our Australian operations.

Kelsian fosters a culture in which all people treat each other with mutual respect and are recruited, developed and promoted on the basis of merit.

To support its commitment, Kelsian has adopted a group Diversity and Equity Policy which is available on the [Kelsian website here](#).

Under the Policy, the Board is responsible for establishing measurable diversity objectives and reviewing progress in achieving the objectives on an annual basis.

The key aims of this Policy which support Kelsian's corporate diversity objectives are to:

- Recruit the right people from a diverse pool of candidates. People will be recruited on the basis of competence and performance regardless of age, ethnicity, gender or cultural background.
- Provide equal opportunities based on merit.
- Make more informed and innovative decisions, drawing on a wide range of experience and perspectives that employees from diverse backgrounds and different skill-sets bring to their roles.
- Ensure every employee is treated with respect and fairness whilst performing their work.

The Board undertakes an annual assessment of Company performance against diversity objectives. In FY2022 the Kelsian Board adopted a measurable objective for the Board of achieving gender diversity of not less than 30% of its directors being of each gender by 2023 or earlier.

As at 30 June 2023, the Kelsian Board comprised of seven directors, two of whom are female (28.5%) and five of whom are male (71.5%). With the appointment of Clinton Feuerherdt as a Managing Director on 3 July 2023 (post the reporting period)

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the Board recognises that we still have work to do to achieve our Board gender diversity target and is actively working towards finding the right mix of independence and diversity for our Board.

One of the Sustainability Targets for Kelsian adopted by the Board for FY24 onwards is an objective to achieve at least 30% female representation at senior management levels by 2030 (where senior management is defined as three levels down from Group CEO).

Our Australian Diversity and Inclusion Strategy is a five-year strategy (2022 – 2026) and our gender diversity objectives are incorporated into the initiatives and actions described below for FY 2023 (year two in our Strategy). This complements and aligns with the work undertaken in our international divisions.

The below table sets out Kelsian’s achievements against diversity objectives for the financial year ended 30 June 2023 embodied in the Strategy.

Diversity Objectives- <i>Year Two</i> <i>“Building an Inclusive Environment”</i>	Diversity Initiatives	Progress as of 30 June 2023
Empower leaders to deliver workplace activities and key development days to foster a greater understanding of diversity and inclusivity among teams.	Develop a resource for action-based learning activities relative to diversity and inclusion for workplace teams to participate in.  Coordinate a minimum of 4 activities amongst teams per year.	A number of key diversity and inclusion activities were held across the business. Some examples include: <ul style="list-style-type: none"> <li>- NAIDOC Week.</li> <li>- National Sorry Day.</li> <li>- Bus wrap partnership for National Reconciliation Week with Reconciliation Australia and JC Decaux.</li> <li>- World Pride Bus Launch celebrating the LGBTQIA+ community.</li> <li>- International Women’s Day education talk.</li> <li>- Movember recognising the importance of men’s Health.</li> </ul>
Leadership engagement and accountability for diversity and inclusion outputs.	Engage with key stakeholders across the business to establish KPIs for Management regarding diversity & inclusion.	Engagement with key stakeholders across the business has resulted in a number of diversity and inclusion outputs. Some examples are listed below: <ul style="list-style-type: none"> <li>- Cultural Awareness sessions with BlackCard and KWY Aboriginal Corporation.</li> <li>- Smoking and Cleansing Ceremonies.</li> <li>- Commissions paid to Indigenous Communities.</li> <li>- Attendance at Indigenous and Torrens Strait Islander fundraising events.</li> <li>- Procurement of products and services through Indigenous businesses.</li> </ul>
Analyse available data through a diversity lens regarding recruitment, promotion, retention, turnover, and job satisfaction.	Record and monitor the demographics of applicants and new recruits.  Investigate the framework for diversity data metrics to monitor the ongoing effectiveness of this Strategy.	The collection of diversity and inclusion information has been incorporated into Kelsian’s onboarding process. In addition, an inaugural Diversity & Inclusion Survey was undertaken to capture diversity information demographics of our existing workforce.  Additional detailed gender pay analysis by position band has been undertaken to complement the WGEA Reporting. This provides meaningful insight as to where the gaps are for targeted mitigation.

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Diversity Objectives-Year Two <i>“Building an Inclusive Environment”</i>	Diversity Initiatives	Progress as of 30 June 2023
Increase awareness of diversity and inclusion initiatives throughout the organisation.	Regularly review and update employee Intranet to share information and resources relating to diversity and inclusion activities.	Several communication campaigns were undertaken throughout FY23 sharing educational resources and promoting events, a number of which are listed above.
Promote the use of respectful and inclusive language.	Review job advertisement templates and position descriptions to ensure the use of inclusive language.  Review employment policies and identify areas of improvement regarding diversity and inclusion values, i.e., Paid Parental Leave Policy and cultural leave.	Advertising and position description templates have been updated to incorporate inclusive language.  Paid Parental Leave policy has been approved by the Kelsian Board for implementation in FY24.

FY2024 is Year Three of our Diversity and Inclusivity Strategy and has a focus on “Embedding Diverse Workforce Practices”. The third year of this Strategy seeks to eliminate any existing barriers that may exist for diverse groups with a particular focus on gender pay equality.

Diversity Objectives-Year 3 <i>“Embedding Diverse Workforce Practices”</i>	Diversity Initiatives
Promote pathways for diverse candidates into the business.	<ul style="list-style-type: none"> <li>▪ Deliver training to employees involved in recruitment, including shortlisting and interviewing, focusing on fair recruitment and unconscious bias.</li> <li>▪ Review existing recruitment practices to identify any potential barriers for diverse groups in securing employment.</li> </ul>
Ensure effective policies, processes, resources, and support systems are in place to enable access to a gender-inclusive, positive, and safe working environment.	<ul style="list-style-type: none"> <li>▪ Review of National policies including, but not limited to Gender Equity, parental leave &amp; flexible work policy to ensure best practice approaches and gender inclusivity.</li> <li>▪ Conduct regular remuneration and rewards analyses to reduce the gender pay gap across all areas of the organisation.</li> </ul>

The success of the Diversity and Inclusivity Strategy after year three looks like this:

- Percentage of job applications and recruits from more diverse groups increases.
- Enhanced recruitment capabilities amongst all leaders involved with recruitment.
- Clarity on Gender Pay Gap and actions required to mitigate it.

Kelsian monitors and reports as a relevant employer under the Workplace Gender Equality Act for Australian based employees and the public reports are published and contain the Group’s most recent Gender Equality Indicators. The most recent reports can be viewed on the [Kelsian website here](#).

A WGEA report is not required to be lodged for international based employees.

### **Recommendation 1.6 – Board Performance Evaluation**

The Board has a formal process to assess individual performance and effectiveness of Directors, the Board and its Committees on an annual basis. The process is led by the Board Chair and involves participation by all Directors, with feedback and results considered by the full Board and acted upon as appropriate.

A structured performance evaluation in line with those processes was conducted during April and May 2023.

**Recommendation 1.7 – Performance Evaluation of Senior Executives**

The Board regularly evaluates performance of Senior Executives against a number of criteria and requires Senior Executives to formally address the Board on execution of strategy and associated issues.

Senior Executive performance is evaluated each year and was undertaken as follows:

- The Managing Director and Group Chief Executive Officer's performance review is undertaken by the Chair of the Board and the People, Culture and Remuneration Committee.
- Senior Executives' performance is reviewed by the Managing Director and Group Chief Executive Officer with oversight of their objectives and performance by the People, Culture and Remuneration Committee.

Performance evaluations of Senior Executives in line with these processes have been conducted in respect of the reporting period.

**PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

The Kelsian Board is committed to ensuring that the composition of the Board continues to include directors who collectively bring an appropriate mix of skills, commitment, experience, expertise and diversity to Board decision making to ensure that the Board effectively discharges its responsibilities and duties.

The Board was comprised of seven non-executive Directors for the majority of the reporting period. During September and October 2022 there were eight non-executive Directors prior to the retirement of Ms Andrea Staines OAM at the end of the 2022 Annual General Meeting.

Subsequent to the reporting period, Mr Clinton Feuerherdt, Kelsian Group Chief Executive Officer was appointed as a member of the Board from 3 July 2023 and Mr Christopher Smerdon has announced his intention to retire at the end of the 2023 Annual General Meeting.

As at 22 September 2023 the Board comprises the following directors:

- Jeffrey Ellison AM (Chair) (appointed and executive director 9 July 2008, non-executive director from February 2020, appointed Acting Chair 1 July 2020 and Chair on 23 February 2021)
- Christopher Smerdon (appointed 13 May 2004, retiring 24 October 2023)
- Terry Dodd (appointed 28 March 2011)
- Fiona Hele (appointed 13 September 2016)
- Neil Smith (appointed 16 January 2020)
- Lance Hockridge (appointed 1 July 2020)
- Diane Grady AO (appointed 1 September 2022)
- Clinton Feuerherdt (Managing Director appointed 3 July 2023)

Details of the Directors, including their qualifications are set out in our Annual Report for the reporting period.

The Board has established appropriate committees to assist it to effectively and efficiently fulfill its responsibilities. During the reporting period, the Board had an Audit, Risk & Sustainability Committee, a People, Culture and Remuneration Committee and a Nomination Committee.

The Board also oversees and monitors special projects/investments through forming special project/ investment committees from time to time as required.

Mr Smith was responsible for additional director oversight and strategy involvement in the project for the acquisition of All Aboard America! Holdings, Inc. that was completed in June 2023.

During the period, an Investment Working Group of the Board met regularly to oversee potential opportunities. This Working Group meets as required to assist the Board in reviewing projects and proposals as part of evaluating and guiding investment, divestment and acquisition strategies. Mr Ellison and Mr Smerdon chaired the meetings of Investment Working Group throughout the reporting period.

The composition of the Audit, Risk and Sustainability Committee, the People, Culture and Remuneration Committee and Nomination Committee as at 30 June 2023 are set out in the Company's Annual Report. Each of these Committees has a Charter approved by the Board, and maintains minutes of its meetings, circulated to all Directors.

**Recommendation 2.1 – Nomination Committee**

The Kelsian Nomination Committee was established as a separate dedicated Committee of the Board from July 2022, with all non-executive Directors being members of the Committee. The Nomination Committee provides assistance to the Board by fulfilling responsibilities related to:

- Reviewing and assessing Board composition including the appropriate balance of skills, knowledge, experience and diversity required on the Board and the extent to which that balance is achieved from time to time;
- Overseeing processes for evaluating the performance of the Board as a whole, Board Committees and individual non-executive directors;
- Overseeing transparent and appropriate processes for nomination, selection appointment and re-election of non-executive directors; and
- Board succession planning.

The number of Nomination Committee meetings and individual attendances of the members at those meetings during the period are as follows:

<b>Committee Members</b>	<b>Nomination Committee Meeting Attendance (Total of 2 meetings during the period)</b>
Terry Dodd (Committee Chair)	2/2
Jeffrey Ellison AM	2/2
Fiona Hele	2/2
Lance Hockridge	2/2
Christopher Smerdon	2/2
Andrea Staines OAM	1/1*
Neil Smith	1/2
Diane Grady AO	1/1*

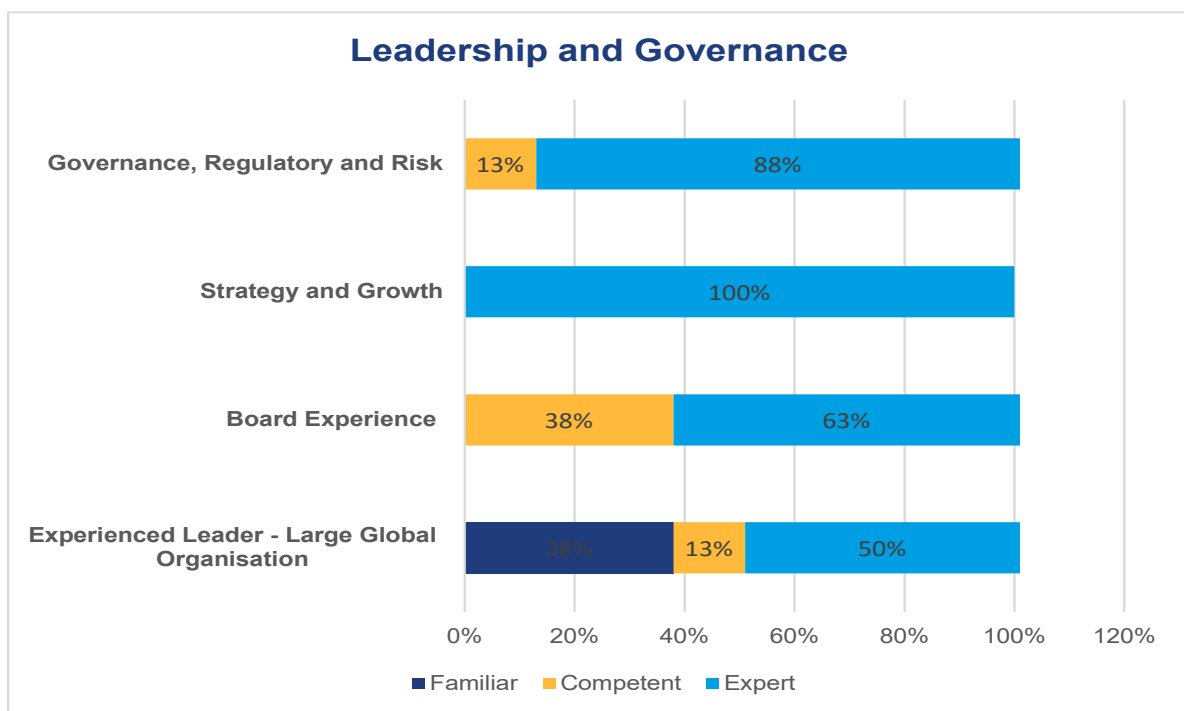
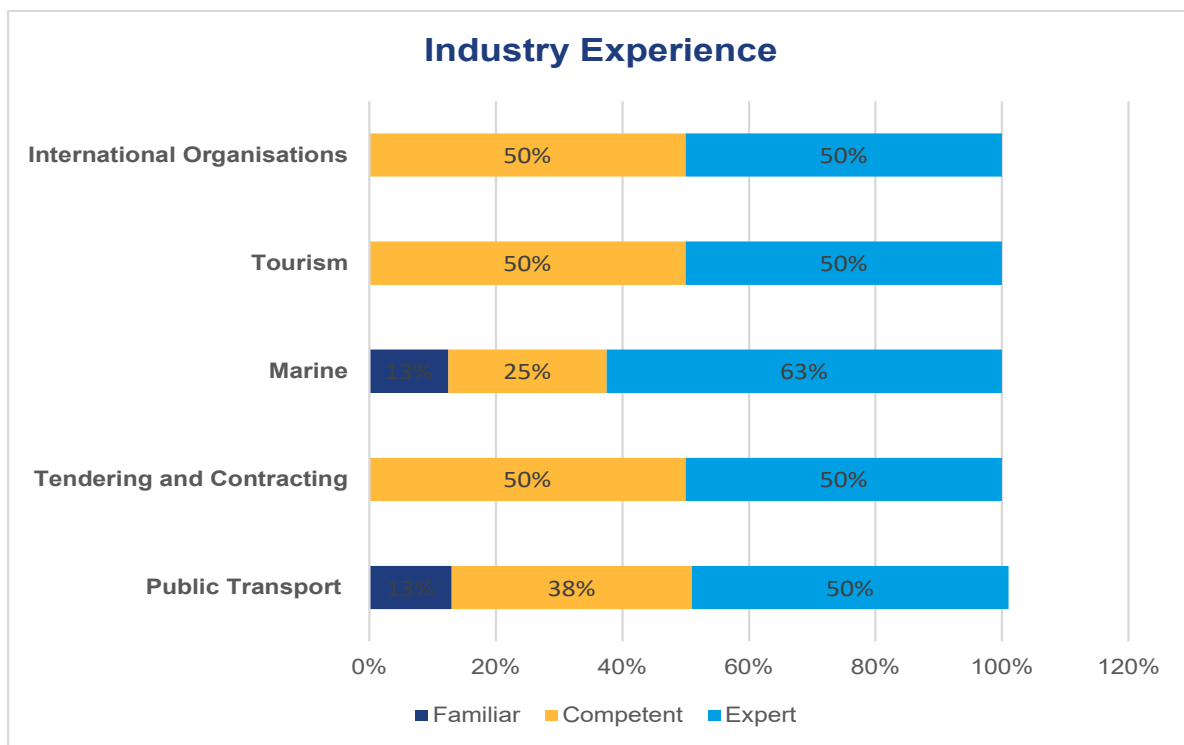
\* eligible only for 1 meeting during the reporting period

A copy of the Charter for the Nomination Committee is available on the [Kelsian website here](#).

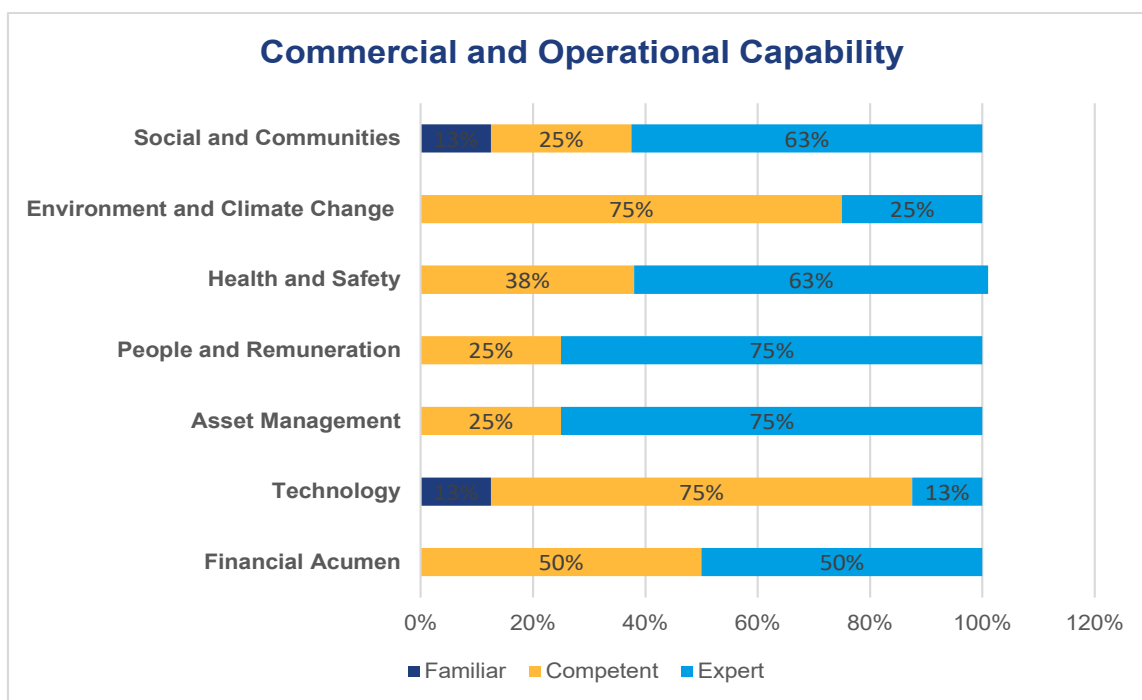
**Recommendation 2.2 – Board Skills Matrix**

Board composition is reviewed periodically and when a vacancy arises or where the Board considers it would benefit from the services of a new Director. This review considers the existing skills and expertise of the Board, upcoming changes in the business outlook and Board, and the mix needed to meet the strategic objectives of the Company. The Board considers industry experience and specific expertise to be important attributes of its Board members.

During FY2023 the Board undertook its annual review of skills, experience and perspective (diversity). As part of this evaluation in FY2023 each Director was asked to assess the extent of their skills and experiences in specific areas on a scale of 1 – Familiar (limited skills/minimal experience), 3 – Competent (general skills/good or solid understanding) to 5 – Expert (expert/extensive experience). The charts below show the categories of skills and the assessed level of skill/experience of the Board during the reporting period to 30 June 2023.







In accordance with the Company’s Constitution Directors comprising one-third (or if the number of relevant Directors is not divisible by three, the number closest to but no more than one-third) of the non-executive Directors must retire at each Annual General Meeting. No non-executive Director may serve more than three years without offering themselves for re-election.

**Recommendation 2.3 and 2.4 – Director and Board independence**

Throughout the 2023 financial year the Board was comprised of a majority of independent Directors.

Directors are required to bring their independent judgement to bear on all Board decisions. The Board regularly assesses the independence of each Director to ensure that each Director has the capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of Kelsian as a whole.

Kelsian’s governance framework requires each Director to promptly disclose actual and possible conflicts of interest, any interests in contracts, other directorships or offices held, related party transactions and any dealing in the Company’s securities. Should a potential or actual conflict of interest arise, the Directors who do not have an interest in the item consider the nature of the interest identified and the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Unless determined otherwise by appropriate resolution of non-interested Directors, those Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors’ meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

Having regard to the guidance provided by the ASX Principles, the Board considers that Ms Fiona Hele, Ms Andrea Staines OAM, Mr Lance Hockridge, Mr Terry Dodd, Mr Christopher Smerdon and Ms Diane Grady AO are independent Directors for the relevant period.

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Kelsian Director	Date First Appointed as Director	
Mr Jeffrey Ellison AM (Chair)	9 July 2008	Non-independent, NED
Mr Neil Smith	16 January 2020	Non-independent, NED
Mr Terry Dodd	28 March 2011	Independent, NED
Ms Fiona Hele	13 September 2016	Independent, NED
Mr Lance Hockridge	1 July 2020	Independent, NED
Mr Christopher Smerdon <sup>^^^</sup>	13 May 2004	Independent, NED
Ms Andrea Staines OAM <sup>^</sup>	15 February 2016, Retired 25 October 2022	Independent, NED
Ms Diane Grady AO <sup>^^</sup>	1 September 2022	Independent NED
Mr Clinton Feuerherdt <sup>^^^</sup>	3 July 2023	Managing Director

<sup>^</sup> Ms Staines OAM retired at the end of the 2022 Annual General Meeting

<sup>^^</sup> Ms Grady AO was appointed to the Board for part of the reporting period

<sup>^^^</sup> Mr Feuerherdt was appointed to the Board subsequent to the end of the reporting period

<sup>^^^</sup> Mr Smerdon has notified the Company of his intention to retire at the end of the 2023 Annual General Meeting

Mr Dodd is associated with a potential vendor of marine services to the Company and Mr Smerdon is associated with a former vendor of technology backup and cyber security services to the Company.

The Board has reviewed the nature and magnitude of those supplier relationships and does not consider them to be material business relationships that might interfere with, or might reasonably be seen to interfere with, Mr Dodd's or Mr Smerdon's capacity to bring an independent judgement to bear on issues before the Board and act in the best interests of the Company as a whole. Details of related party transactions are set out in note 35 to the Financial Statements in our Annual Report.

The Board acknowledges that whilst Mr Smerdon and Mr Dodd have previously been substantial shareholders of the Company, it has been more than three years since they were substantial shareholders and the Board do not consider that their interests interfere with their capacity to bring an independent judgement to bear on issues before the Board, and to act in the best interests of the Company and its shareholders generally.

Consistent with the ASX Principles, the Board considers that the interests of shareholders are served by having a mix of Directors on the Board, some with shorter and some with longer tenures. In August 2023 the Board has adopted a tenure policy for non-executive directors of a maximum term of 9 years from first election by shareholders (12 years for Chair) with extension of tenure beyond those terms at discretion of the Board.

The length of service of each Director is one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director.

The Board acknowledges that Mr Smerdon has been on the Board for more than 10 years however the Board does not consider that his independence has been compromised by his tenure. Mr Smerdon continues to bring independent judgement to bear on issues before the Board. Subsequent to the reporting period Mr Smerdon has given notice of his retirement as a Director at the end of the 2023 Annual General Meeting.

Mr Ellison is not considered to be independent due to his previous role as Managing Director and Executive Director of the Company until February 2020 and his uninterrupted tenure as a Director since 2008.

Mr Smith is not considered to be independent due to his substantial shareholding interests in the Company, and his close family ties with the Managing Director and Group Chief Executive Officer. During the period Mr Smith also had associated interests in entities (along with other third parties) that own depot properties that are leased to subsidiaries of the Company. Mr Smith receives rental income as a result of those interests, details of which are outlined in our financial statements (note 35).

The Board considers that the processes outlined above ensure that collectively the Board acts as an independent decision-making body in the best interests of all shareholders and that conflicts of interest, or potential conflicts of interest of all Directors including those not considered independent Directors are managed appropriately.

***Recommendation 2.5 – Chair of the Board and Chief Executive Officer***

Throughout the 2023 financial year, Mr Jeffrey Ellison AM whom the Board does not consider to be an independent Director was Chair of the Board. The Chair and Group Chief Executive Officer were separate persons.

The Board has established conflict of interests processes in place and if any perceived or potential conflict of interest arises in relation to any matter these are raised and addressed with appropriate actions. If the Board Chair is conflicted at any time, then the Chair of Audit, Risk and Sustainability Committee fulfils the role of Board Chair in relation to that item or topic.

On 24 August 2022 Ms Fiona Hele was appointed Deputy Chair of the Board.

Meeting agendas provide regular opportunities for non-executive Director discussions without Management present, and Board performance and evaluation processes occur formally each year supported by post meeting evaluations.

The Board's focus remains on representing and serving the interests of shareholders by overseeing the Group's strategy execution, policies, and performance to deliver long-term value for all shareholders.

The Board recognises that it must continue to evolve to reflect Kelsian's size as well as its diverse mix of businesses across different geographies and the Board is committed to targeting adherence to the ASX Principles including maintaining a majority independent Board; an independent Chair and a diverse Board with not less than 30% of Directors being of each gender.

***Recommendation 2.6 – Company induction and professional development of Directors***

The Company has an established program for the induction of new Directors. This induction covers all aspects of the business including the provision of information, past meeting details, business plans, access to Senior Management and site visits to ensure that the new Director can fulfil their responsibilities.

The Board and its Committees are provided with updates and information from both Management and external experts on various topics relevant to the Company's circumstances. The Board and individual Directors attend at operational sites, meet staff in operations and receive presentations from Management across the Company's operations.

The Directors, the Board and any Board Committee may seek external professional advice, as considered necessary, at the Company's expense, with the consent of the Chair and assistance from the Company Secretary. If appropriate, any advice received will be made available to all Directors.

**PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

Kelsian is committed to setting standards of conduct expected of its Directors, officers and employees. It has in place governance policies and practices adopted at group, divisional and local business unit levels. The summary of policies and their publication below is current as at the date of this statement and the associated Appendix 4G lodged via the ASX.

We follow all recommendations in Principle 3 and were compliant with all recommendations for the whole of the reporting period.

***Recommendation 3.1 – Values***

The Board has approved a statement of values for Kelsian and charged the Senior Executive team with responsibility for communicating, implementing and reporting in relation to these values. For Kelsian we call these our 'COMPASS' values.

A copy of our values statement can be found on the [Kelsian website here](#).

Kelsian is a global company with operations in Australia, UK and Channel Islands, Singapore and the United States of America. We recognise that it is important that Kelsian articulate and align our values across all our operations as well as acknowledging that these may be expressed and adopted in the most appropriate way for the operating environment. For example, our Singapore operations communicate and express our Group values by the acronym and words of "CITIES". With the acquisition of the All Aboard America! Holdings, Inc. ("AAAHI") business in early June 2023 as part of our due diligence prior to the acquisition we assessed the alignment of Kelsian and the AAAHI values to support successful long-term expansion of the Group through this acquisition. During FY2024 will continue to assess and communicate the importance of aligned values as part of the integration process for the USA operations.

***Recommendation 3.2 – Code of Conduct***

Kelsian recognises the importance of acting ethically and responsibly in conducting its business and acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors and the community.

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Kelsian officers and employees are required to not only act in accordance with the law, but also to act ethically and responsibly.

Each of Kelsian's divisions have set ethical behaviour standards and established processes applicable to their operations that reflect the relevant jurisdictions in which they operate.

A copy of our Code of Conduct statement can be found on the [Kelsian website here](#).

Material breaches of our Code of Conduct and supporting policies are reported to the relevant Committee and Board as appropriate.

### ***Recommendation 3.3 – Whistleblower Policy***

Kelsian's Whistleblower Protection Policy supports Kelsian's commitment to acting with fairness, honesty and integrity. The policy aims to promote a "safe to speak up" culture where all people who work for or with Kelsian are encouraged to speak up if they become aware of any wrongdoing. The current policy can be found on the [Kelsian website here](#).

The Company has established a 24-hour whistleblower hotline operated by an independent provider to support disclosures and reporting under this policy. Each of the UK and USA operations also have country based whistleblower policies and reporting mechanisms to further enhance a culture of speaking up.

### ***Recommendation 3.4 – Anti-Bribery and Corruption Policy***

Kelsian has an Anti-Bribery and Corruption Policy that expands on and supports our expectations of ethical standards of conduct set out in our Code of Conduct. It prohibits engagement in corrupt practices, outlines requirements in relation to giving and receiving of gifts and hospitality, political donations, and reporting of suspicious behaviour or incidents.

This policy can be found on the [Kelsian website here](#).

## **PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

### ***Recommendation 4.1 – Audit Committee***

The Board Audit, Risk and Sustainability Committee provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to financial and non-financial (sustainability) reporting, risk management, and internal control environment.

The overriding objective of the Committee is to provide an independent and objective review of information prepared by Management and overseeing the Company's discharge of its responsibilities with respect to:

- Management of the Company's financial, legal (including taxation laws) and compliance responsibilities related to financial reporting;
- The annual financial budget;
- Engagement of and relationship with external auditors including the independence of the external auditors;
- The effectiveness of the Company's financial and non-financial risk management systems and internal controls;
- Monitoring risk appetite, risk policy and the effectiveness of the Company's risk management framework;
- Management of and adequacy of processes for external reporting on the Company's financial and non-financial risks;
- The governance, legal and regulatory compliance systems and processes of the Company including delegations of authority;
- Overseeing the systems, policies and processes to achieve the Company's sustainability objectives and monitor sustainability risks.

Throughout the reporting period the Audit, Risk and Sustainability Committee was comprised of three members, all of whom were independent Directors and was chaired by an independent Director with appropriate expertise and qualifications. The qualifications of our Directors are set out in our Annual Report.

The members of the Audit, Risk and Sustainability Committee, number of Committee meetings and individual attendances of the members at those meetings during the period are as follows:

Committee Members	Committee Meeting Attendance (Total of 4 meetings during the period)
Fiona Hele (Committee Chair)	4/4
Lance Hockridge	4/4
Andrea Staines OAM (Member from 22 February 2022 to 25 October 2022)	1/1*
Terry Dodd (Member from October 2022)	3/3*

\* Committee member for part only of the reporting period

A copy of the Audit, Risk and Sustainability Committee Charter is available on the [Kelsian website here](#).

**Recommendation 4.2 – Financial Declarations from the Chief Executive Officer and Chief Financial Officer**

Before financial statements are approved for a financial period, the Managing Director and Group Chief Executive Officer, and Group Chief Financial Officer are required to make a declaration for the relevant financial period that:

- the Company’s financial records have been properly maintained,
- that the financial statements represent 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, and
- provides assurance that the declaration is founded on a safe system of risk management and internal controls, and that the system is operating efficiently in all material respects.

**Recommendation 4.3 – Integrity of Periodic Corporate Reports**

Kelsian has in place a process for preparing, verifying and approving the full and half year financial statements and the policy of the Company and the Audit, Risk and Sustainability Committee is to appoint an external auditor who clearly demonstrates quality and independence who provides a report in accordance with auditing standards ahead of release to the market.

In relation to additional unaudited information published by the Company throughout the year, Kelsian has processes in place to verify material statements in these documents before they are released to market including:

- content is prepared by, or under the oversight of, the relevant subject matter expert for the area being reported on;
- relevant Group executives review material statements of fact for accuracy and material statements of opinion are identified and reviewed to determine a sound basis for the statement; and
- the Board or relevant Committee reviews and approves the annual Corporate Governance Statement, Modern Slavery Statement, and Tax Transparency Report prior to release in addition to the processes surrounding financial statement and annual financial reporting described above.

**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

**Recommendation 5.1 – Continuous Disclosure Policy**

Kelsian has and discloses its written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1. The Company complies with the continuous disclosure obligations of the Corporations Act 2001 (Cth) and ASX Listing Rule requirements to disclose immediately to the ASX and the market any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company’s shares. This helps ensure that all shareholders and investors have equal and timely access to material information about the Company.

A copy of the Company’s Continuous Disclosure Policy is available on the [Kelsian website here](#).

**Recommendation 5.2 – Market Announcements**

The Board promptly receives by email copies of all material ASX announcements made by the Company.

**Recommendation 5.3 – Presentations**

Kelsian has in place processes to ensure that material information is not selectively disclosed prior to being announced via the ASX. Our processes include requirements to release a copy of presentation materials via ASX first of any new and substantive investor or analyst presentation.

**PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS**

**Recommendation 6.1 – Investor information on the website**

Kelsian provides information about itself and governance to investors via its website which includes the Company's Corporate Governance Statement.

The website also includes links to copies of its annual reports and financial statements, ASX announcements, Notices of Meetings as well as an overview of the Group's business activities.

Kelsian's corporate website can be located at <https://www.kelsian.com>.

Shareholders are able to access information relevant to their holding via Kelsian's appointed share registry services company, Boardroom Limited. Their website is at [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).

**Recommendation 6.2 – Investor relations program**

Kelsian facilitates effective communication with its shareholders, including:

- Annual and half-yearly financial reports;
- Annual and other general meetings convened for shareholder review and approval of Board proposals;
- Reports and Presentations associated with Annual General Meetings, half and full year's results;
- Continuous disclosure of material changes to ASX for open access to the public;
- The Group's websites, which include information about the Group's businesses and operations.

Shareholders are also welcome to raise any queries or provide feedback through the Company Secretary or Group Chief Financial Officer at any time. Investor and community feedback is welcomed by Kelsian and is summarised for the Board as a standing item of business at Board meetings.

**Recommendation 6.3 – Participation at shareholder meetings**

The Chair permits shareholders to ask questions about Kelsian's business operations, the remuneration report, the conduct of the audit and the preparation and content of the audit report and other items of business at the Annual General Meeting.

Kelsian requests the company's auditor to attend the Annual General Meeting to be able to answer any shareholder questions about the conduct of the audit and the preparation and the content of the audit report.

**Recommendation 6.4 – Resolutions**

Since December 2019, all substantive resolutions at the Company's meetings of shareholders are decided by poll rather than a show of hands.

**Recommendation 6.5 – Electronic Communication**

Shareholders are given the option to send and receive communications electronically including the Company's Annual Report. The Company has the capability to communicate with shareholders electronically through its website, email communications and via the share registry. Electronic contact details are provided on the Company's website.

**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

Kelsian is committed to the management of risks throughout its operations to protect its employees, interests of shareholders, environment, assets and to achieve our objectives within our risk appetite. Kelsian has a group-wide Risk Management Framework for the identification, analysis, evaluation and management of risk and uncertainty throughout the Group. It enables risks, and their treatment, to be considered where such risks manifest themselves. The consideration of risks forms part of key areas such as strategic planning, decision-making, financial/market risk, contract tender risk, transition risk, operational risks such as safety and environmental impacts, and cyber risk.

Further information about our material business risks is outlined below and in our Annual Report.

**Recommendation 7.1 – Risk Committee**

Throughout the period, Kelsian had an Audit, Risk and Sustainability Committee of the Board to oversee risk as well as undertake audit and sustainability responsibilities. The Audit, Risk and Sustainability Committee is responsible for overseeing and approving risk management strategy and policies, compliance and internal controls amongst other things.

Refer to recommendation 4.1 above for a list of key responsibilities of the Committee, its members, numbers of meeting and individual attendance at Committee meetings. A copy of the Charter of the Audit, Risk and Sustainability Committee Charter is available on the [Kelsian website here](#).

The Audit, Risk and Sustainability Committee members are all required to possess sufficient technical expertise and industry knowledge to fulfil the functions of the Committee. It is composed of at least three Directors, all of whom were independent throughout the reporting period, and it is chaired by an independent Director. Details of the relevant qualifications and experience of the members of the Committee are set out in the Annual Report.

**Recommendation 7.2 – Annual Review of Risk Management Framework**

The Kelsian Group Risk Management Framework supports the proactive management of the material business risks summarised below and other risks facing Kelsian. The Kelsian Group Risk Management Policy sets out the approach, principles and roles and responsibilities for managing risk across the Group. The Framework is aligned to the International Standard on Risk Management (ISO 31000:2018).

The Group's Risk Management Framework was reviewed during the reporting period by the Audit, Risk and Sustainability Committee and the Committee is satisfied that the framework continues to be appropriate and sound for the Company. The Risk Management Framework is reviewed at least annually by the Audit, Risk and Sustainability Committee and the Board through the Audit, Risk and Sustainability Committee formally reviews the Group's risk profile twice each year and considers other risk matters, such as business resilience, cyber risk, tender review processes, risk appetite, and specific risk areas, on a regular basis. Management report to the Board on the Company's material business risks and effectiveness of risk management and mitigation strategies.

Business risks are analysed and evaluated using an agreed framework. The Board is regularly briefed by Management and involved in discussions in relation to all material risks facing the Company. More information about our material business risks and our management of these risks is set out below.

**Recommendation 7.3 – Internal Audit**

Internal audit is performed by the Group Risk and Assurance Department, providing independent and objective assurance on the Group's system of risk management and internal control through:

- performing internal audits in line with the Group's risk-based internal audit plan; and
- reporting to the Audit, Risk and Sustainability Committee.

The Group's risk-based internal audit programme is designed to align audit activities to key risks across the Group. The internal audit plan is approved by the Audit, Risk and Sustainability Committee annually.

The Internal Audit function is independent of the External Auditor and the head of the Internal Audit function has direct access to the Audit, Risk and Sustainability Committee.

In addition to Group Risk and Assurance activities, external and internal ISO/AS audits and other external regulatory/contract compliance audits provide assurance on the effectiveness of operational risk management and controls. The findings from all audit activities are reported to the Audit, Risk and Sustainability Committee.

**Recommendation 7.4 – Sustainability: Material Exposure to Environmental or Social Risks**

The achievement of Kelsian's strategic objectives and future financial performance is subject to various risks including the material business risks summarised below. Those risks include exposure to material social and environmental risks which are managed through our Risk Management Framework, Sustainability Framework and Strategy and controls in place throughout the business. Material risks are reported to and reviewed by the Board, Audit, Risk and Sustainability Committees and Group Executive as part of the risk reporting process. Risk management is also integrated into key business decision-making and activities, including strategic planning, investment decisions, financial risk management and project/change management. Internal audits and risk reviews are undertaken to confirm that risks are being effectively managed and reported to the Board through the Audit, Risk and Sustainability Committee.

The summary below is not an exhaustive list of all risks that may affect the Group, nor have they been listed in any particular order of materiality.

## KELSIAN GROUP LIMITED CORPORATE GOVERNANCE STATEMENT – SEPTEMBER 2023

Risk	Description	Mitigation
<b>External Risks</b>		
Economic Conditions	Like all organisations, the Group is exposed to economic fluctuations which can impact on customer needs, supply chain costs and growth opportunities. The global economic outlook is looking uncertain specifically in respect of supply chain costs, labour and fuel prices all of which increase uncertainty around financial resources.	In addition to hedging through financial instruments, the Group have natural hedging within many of its contracts to significantly manage this risk. This is further supported by innovative and efficient business operating models that support our clients in delivering safe, reliable, sustainable and economical solutions.
Climate change	<p>Businesses globally continue to come under increasing pressure from all stakeholders to demonstrate strong progress on understanding their climate related risks and performance. Failure to manage the risks, and expectations, in respect of climate-change could negatively impact the Group's reputation, performance and growth opportunities.</p> <p>Kelsian believes that the transition to a lower carbon economy presents opportunities as well as risks for our business.</p> <p>The transition to decarbonisation presents opportunities to embrace new technologies that are more efficient and innovate our services. Increased use of public transport services can be a positive contributor to lowering carbon emissions in metropolitan cities where we operate.</p> <p>The risks include transition risks; extensive policy, legal, technology and market changes as well as physical risks which result from climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the Group.</p>	<p>In FY22, Kelsian undertook a comprehensive review of the climate related transitional and physical risks, and opportunities, relevant to the Group. To understand Kelsian's current climate-related risks and opportunities, high level research was conducted around the primary climate-related risks and opportunities relevant to Kelsian. The analysis was drawn from relevant academic, industry and government publications such as IPCC Reports, IEA publications and other relevant material.</p> <p>The risks and opportunities identified in this exercise have been analysed and evaluated using the Group's risk methodology, which is based on ISO31000, shared with the Group's Board and Executive and targeted plans developed to mitigate risk and progress opportunities.</p> <p>In FY23 we continued our analysis of climate related risks by conducting a preliminary qualitative review of climate risks and opportunities using two scenarios (high and low carbon) and a selection of assumptions to predict the impact on our business. The results of that analysis are then being used to confirm our risk mitigation actions and plan over short, medium and long time horizons.</p>
Geopolitical/ Government Policy	<p>Kelsian is exposed to risks of changes in government policies and regulations which may impact financially on the Group's cost base or future prospects and opportunities for new or renewed contracts. The Group's operations depend heavily on government policy, funding regimes and infrastructure plans initiatives continuing to support private company operators in public transport.</p> <p>Such changes have the potential to impact (both positively and adversely) on Kelsian's profitability and future growth prospects.</p>	<p>Kelsian manages these risks by putting in place dedicated resources to manage and monitor government policies and implement appropriate systems and processes to ensure compliance with changing regulatory environments.</p> <p>Kelsian, as far as possible, incorporates consideration of changes in regulatory requirements and government policies into its corporate and financial plans and forecasts.</p>



## KELSIAN GROUP LIMITED CORPORATE GOVERNANCE STATEMENT – SEPTEMBER 2023

Risk	Description	Mitigation
<b>Strategic Risks</b>		
Competition/ Growth	<p>Kelsian provides its services and products to individuals, companies and government agencies across a range of economic sectors. This is carried out in competitive markets where we compete in areas of price, quality and service options.</p> <p>Failure to effectively compete in the market and/or develop new and innovative solutions could lead to non-renewal of contracts and failure to win new tenders. Should these crystallise these risks can impact on the financial performance of the group.</p>	<p>Kelsian’s focus is on being a world leader in delivering essential travels through safe, sustainable and intelligent transport solutions while creating brilliant customer experiences. This purpose is built on core strategic strengths within the Group – Customer Experience, Operational Excellence, Safety and Innovation and Sustainability.</p> <p>Kelsian has a dedicated Business Development Function who oversee the Group’s competitive tendering process as well as monitoring and assessing market conditions in areas where we bid/operate. This team also work with our operational divisions to identify and evaluate new business opportunities.</p> <p>Our continued focus in these areas will ensure Kelsian will continue to remain competitive and attractive to customers and clients who value these values in their business partner.</p>
Contracted Services	<p>Over 70% of the Group's revenue is secured through long-term government/commercial contracts. Such contracts attract inherent risks around achieving operational and financial performance. Unmanaged, these risks can impact on the Group's financial performance as well as our reputation and ability to renew and secure new contracts.</p>	<p>As an experienced and established operator, Kelsian and its Operating Division have extensive expertise to ensure we meet the requirements and standards on all our contracts. This is backed up with excellent customer/client relations to ensure expectations are understood and managed.</p> <p>Kelsian’s financial and operational excellence models provide for effective financial monitoring of all business activities and efficient business operations.</p>
Integration Risk – Acquisitions	<p>There are potential integration risks associated with any acquisition, including due diligence risks, and risks that integration could take longer, be more complex or costly than expected, encounter unexpected challenges, divert management attention or that the anticipated benefits may not be achieved. Any material failure to fully integrate the operations of an acquired business, or material failure to achieve anticipated benefits, could adversely impact the operational performance and profitability of the Group.</p>	<p>Kelsian manages these risks by using its risk management process to identify and assess the integration risks and then putting in place dedicated resources to manage, monitor and report on the integration process. Reflecting the nature and scale of the AAAHI acquisition in FY23 Kelsian has in place a dedicated team and process for closely monitoring the integration risks of the acquisition with oversight of the Board and advice from external experts to support and challenge management thinking.</p>
Integration and Transition Risks – New Public Transport Contracts	<p>There are potential integration and transition risks associated with commencing large new public transport services contracts including employee relations risks, reputational risks, risks of operating from new depots (delay and construction/suitability) and risks that transitioning services may be more complex or</p>	<p>Kelsian manages these risks through use of robust transition processes including dedicated transition team planning and resources which it has developed during its experience in transitioning large public transport bus contracts over many years in Australia and Singapore.</p>

## KELSIAN GROUP LIMITED CORPORATE GOVERNANCE STATEMENT – SEPTEMBER 2023

costly than expected, encounter unexpected challenges, divert management attention or attract adverse media attention.

Risk	Description	Mitigation
<b>Operational Risks</b>		
Financial Risks	Kelsian's continued ability to operate its business and effectively implement its business plans is exposed to a variety of financial risks including credit risk, interest and currency risk, liquidity risk as well as Balance Sheet risk.	Information on how Kelsian manages financial risks is included in the Notes to the Financial Statements.
Health & Safety	Transport, tourism and hospitality inherently include safety risks many of which are outside our control. Significant safety incidents, or failings in our safety management systems, could result in reputational, legal and financial damage.	<p>Kelsian has a strong safety culture and is committed to continuous improvement and maintaining safety standards for all our operations.</p> <p>Kelsian has robust Safety Management Systems across all its operations which ensure that safety hazards and risks are identified and managed. Many of our operations are certified to AS 4801 / ISO 45001 and those that are not, are either working towards certification or have safety systems that meet the equivalent of these standards.</p> <p>As an experienced transport and tourism operator, Kelsian understand the safety risks inherent in our business and have an extensive range of controls to protect our people and customers.</p> <p>The Group employs dedicated professionals to manage health and safety outcomes and to provide support, education and training to the Group's employees with respect to health and safety matters in the workplace.</p>
Environmental	<p>The nature of our activities which occur in some environmentally sensitive areas such as marine waters in Australia have the potential to cause harm to the environment if not managed appropriately.</p> <p>Failure to operate in accordance with environmental standards not only has the potential to result in environmental harm but also increases compliance costs, jeopardises our community relations and causes reputational damage with our stakeholder and investors.</p>	Kelsian undertakes comprehensive risk assessments to ensure the environmental risks and hazards we face are identified and risks managed to acceptable standards.

## KELSIAN GROUP LIMITED CORPORATE GOVERNANCE STATEMENT – SEPTEMBER 2023

Risk	Description	Mitigation
<b>Operational risks continued</b>		
Cyber and Information Security	Kelsian like any business faces an ever-changing cyber security threat and needs to have adequate arrangements in place to prevent, detect and respond to such threats ensuring no loss of or disruption to our systems and data.	<p>The Group aligns with ISO 27001 (Information Security Management) and the ACSC (Australian Cyber Security Centre) Essential 8 Maturity Model.</p> <p>We have an established suite of technical and procedural solutions, as well as routine activities, such as cyber awareness training, to ensure levels of security and resilience are at the optimum level.</p> <p>Our security arrangements are routinely reviewed, through external and internal reviews, and upgraded or reinforced as necessary to ensure their adequacy.</p>
People	Employee costs represent the largest operating cost of the Group. In addition to the management of the various financial aspects of employee costs, the Group also face challenges around talent management – recruitment, retention and training, regulatory compliance and Industrial Relations management. Failing to manage these appropriately could have adverse financial, reputational and operational impacts.	Kelsian have a team of dedicated People & Culture professionals to support the business on all P&C related matters. We have HR strategies, policies and remuneration packages to attract, retain and motivate our people, whilst ensuring succession planning is in place for key staff. We are also experienced at industrial relations management and take into consideration changes in the labour market in our financial planning and contractual arrangements.
Business Resilience	<p>As a key element of a location's infrastructure, prolonged and unplanned interruption to Kelsian's operations could significantly impact the financial performance of the Group and its reputation.</p> <p>Whilst a number of these risks are outside our control, we need to ensure that we manage those within our control and our response to their occurrence in order to provide high levels of availability and reliability of our services and products.</p>	Kelsian has an extensive range of controls and strategies in place to manage such risks, including crisis management plans, business continuity plans, inspection and maintenance procedures, customer service training, compliance programs as well as appropriate insurances.

### Sustainability Report

In FY23 we continued to improve our sustainability performance and transparency of reporting, whilst building and refining our processes. We recognise that the scale of global sustainability challenges and expectations are becoming more significant. We also understand and recognise the role of passenger transport in society, including the importance of managing impacts on the environment and being part of the solution to decarbonisation in urban environments. During the year we have developed and set sustainability targets for the Group including adoption of an aspirational net zero target to achieve net zero group-wide emissions by 2050, and targets related to reducing our carbon intensity, promoting a diverse and inclusive culture, tracking and reducing waste generation, employee health and safety, and working in our communities which will be outlined in more detail in our 2023 Sustainability planned for publication in September 2023.

**PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

**Recommendation 8.1 – Remuneration Committee**

The Board has a remuneration committee called the People, Culture and Remuneration Committee. The purpose and role of the Committee is to support and advise the Board on:

- the implementation and effectiveness of fair, responsible remuneration practices for Kelsian to attract and retain Directors and Senior Executives who will create value for the Company and are aligned to the Company’s strategic direction;
- the implementation and effectiveness of the practices of Kelsian concerning work health and safety, and the impact of the Group’s operations on the environment; and
- organisational culture and people related strategies for positive long term organisational health.

Throughout the reporting period the People, Culture and Remuneration Committee was comprised of three members, the majority of whom were independent Directors and was chaired by an independent Director with appropriate expertise and qualifications. The qualifications of our Directors are set out in our Annual Report.

The members of the People, Culture and Remuneration Committee , the number of Committee meetings and individual attendances of the members at those meetings during the period are as follows:

<b>Committee Members</b>	<b>Committee Meeting Attendance (Total of 6 meetings during the period)</b>
Lance Hockridge (Committee Chair)	6/6
Diane Grady AO (Member from October 2022)	4/4*
Christopher Smerdon (Member from October 2022)	4/4*
Terry Dodd (Member until October 2022)	2/2*
Jeffrey Ellison AM (Member until October 2022)	2/2*

\* Committee member for part only of the reporting period

A copy of the People, Culture and Remuneration Committee Charter is available on the [Kelsian website here](#).

Refer item 2.1 above for information about the Nomination Committee responsibilities and membership.

**Recommendation 8.2 – Disclosure of Remuneration Policies and Practices**

Kelsian’s remuneration policies and practices ensure that remuneration packages properly reflect the person’s duties and responsibilities, and the remuneration is competitive in attracting, retaining and motivating people of suitable quality.

The People, Culture and Remuneration Committee reviews and makes recommendations on Director and Senior Executive remuneration and overall staff remuneration and incentive policies. When making recommendations, the Committee aims to design policies that attract and retain the executives needed to run the Company successfully and to motivate executives to pursue appropriate growth strategies whilst aligning shareholder return with remuneration.

Remuneration for executives typically comprises a package of fixed and performance-based components as described in our Remuneration Report. The Committee may, from time to time, seek advice from specialist remuneration consultants so as to ensure that the Board remains informed of benchmarks, market trends and practices.

There is no requirement for either the Managing Director and Group Chief Executive Officer or Key Management Personnel to hold shares in the Company. Further information about the Company’s remuneration practices and policies and details about remuneration of Key Management Personnel and Senior Executives are set out in the Remuneration Report for the period.

All remuneration paid to Directors and executives is measured at the cost to the Company and expensed.

## KELSIAN GROUP LIMITED CORPORATE GOVERNANCE STATEMENT – SEPTEMBER 2023

The maximum annual aggregate remuneration amount approved by shareholders that can be paid to non-executive Directors is currently \$1.25 million per annum. This cap was approved by shareholders on 18 December 2019. Further details about remuneration paid to Directors are set out in the Remuneration Report for the period.

### ***Recommendation 8.3 – Policy on Equity based Remuneration Schemes***

The Company had an equity-based remuneration scheme for its employees in 2022-2023, and a summary of that scheme is set out our Remuneration Report.

The Company's policies prohibit Directors, officers and employees from entering into transactions or arrangements which limit the economic risk of unvested entitlements under any employee incentive or employee share scheme. Non-executive Directors are not eligible and have not been awarded any incentive rights under the Kelsian Group Rights Plan (formerly called the SeaLink Travel Group Limited Rights Plan).

All Directors during the reporting period were non-executive Directors. Mr Feuerherdt became Managing Director on 3 July 2023, subsequent to the reporting period.

A summary of the Kelsian Group Rights Plan is set out in the notices to shareholders considered at the 2022 Annual General Meeting and also in our Remuneration Report in the Annual Report.

A copy of the Company's Securities Dealing Policy can be found at on the [Kelsian website here](#).