



# **Corporate Governance Statement 30 June 2023**

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Viva Leisure Limited ACN 607 079 792

## CORPORATE GOVERNANCE STATEMENT 30 JUNE 2023

The Corporate Governance Statement of Viva Leisure Limited (**Company**) is for the financial year ended 30 June 2023 and is accurate and up to date as of 1 July 2023, being the date it was approved by the Board.

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to and reports against the 4<sup>th</sup> edition of the Australian Securities Exchange (**ASX**) Corporate Governance Councils' Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**).

The Corporate Governance Statement discloses the extent to which the Company followed the ASX Principles and Recommendations. The Company has followed each Recommendation where the Board has considered the Recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a Recommendation, the Board has made appropriate statements reporting on the adoption of the Recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices did not follow a Recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company adopted instead of those in the Recommendation.

The following governance-related documents can be found on the Company's website at: <https://investors.vivaleisure.com.au/investor-centre/?page=corporate-governance> :

- (a) Anti-bribery and Corruption Policy;
- (b) Audit and Risk Committee Charter;
- (c) Board Charter;
- (d) Code of Conduct;
- (e) Company Constitution
- (f) Continuous Disclosure Policy;
- (g) Corporate Governance Statement
- (h) Diversity Policy;
- (i) Modern Slavery Policy;
- (j) Occupational Health and Safety Policy
- (k) People and Culture Committee Charter;
- (l) Securities Trading Policy; and
- (m) Whistleblower Policy.

### **Principle 1: Lay solid foundations for management and oversight**

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***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 Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and has documented these roles and responsibilities in its Board Charter.

The responsibilities of the Board include (without limitation) to:

- (a) represent and serve the interests of shareholders by overseeing and assessing the Company's performance, strategic direction and policies;
- (b) optimise the Company's performance to build sustainable values for shareholders;
- (c) review the Company's compliance with the Company's values and its governance framework; and
- (d) ensure that shareholders are kept informed of the Company's performance.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, the government and the community.

The Board has delegated responsibility for the day-to-day business operations of the Company to the Chief Executive Officer and Managing Director (**CEO & MD**) and the management team. The management team, led by the CEO & MD, is accountable to the Board.

Matters expressly reserved for the Board are set out in the Board Charter.

### **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.*

The Company undertakes appropriate checks before appointing a director or senior executive including checks as to the person's character, experience, and criminal record before appointing a person as a director or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect 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 Company has a written agreement with each of the Directors setting out the terms of their appointment including the requirements to disclose any changes in Director interests and compliance with key Company policies including the Code of Conduct and Securities Trading Policy. The material terms of any employment, service or consultancy agreement with the Company, or any of its child entities, has entered into with its CEO & MD, any of its directors, and any other person or entity who is a related party of the CEO & MD or any of its directors, has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule). The Company also has written employment agreements with all other Senior Executives setting out the terms of their 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 is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.

### **Recommendation 1.5**

*A listed entity should:*

- (a) *have and disclose a diversity policy;*
- (b) *through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives, and workforce generally; and*
- (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 Company recognises the importance of diversity and inclusion in the business and recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and all employees are treated equally. In this regard, the Company has adopted a Diversity Policy in order to ensure that the Company's commitment to diversity and inclusion is clearly documented.

The policy recognises that diversity not only includes gender diversity, but also includes other matters such as, age, ethnicity, religious, cultural background, sexual orientation and gender identity.

The policy includes a commitment to diversifying recruitment and merit-based appointments, as well as recognition that the Company will not tolerate workplace discrimination, harassment, vilification or victimisation.

The policy also includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess the Company's annual achievement of those objectives. The Board reviews at least annually, the relative proportion of women and men appointed or employed within the Company group.

The Company currently has measurable objectives for achieving gender diversity. These include:

The following measurable objectives supporting gender diversity have been endorsed by the Board:

- the composition of the Board should be not less than 40% of Directors of each gender by the end of 2026.
- the composition of the Senior Management team should be not less than 40% of each gender by the end of 2026.
- the composition of the Company should be not less than 35% of each gender by the end of 2026.

As at 30 June 2023, the gender distribution within the Company (compared to 30 June 2022) was as follows:

Gender representation	Female %	Female %	Male %	Male %
	(30 June 2023)	(30 June 2022)	(30 June 2023)	(30 June 2022)
Board	25%	0%	75%	100%
Senior Management Team	43%	31%	57%	69%
Head Office & Management Team	56%	48%	44%	52%
Company-wide	70%	70%	30%	30%

Note: Senior Management representation includes the CEO & MD and all direct reports.

### 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.*

The Board is responsible for evaluating, at least annually, the performance of the Board, its committees and individual directors in accordance with the process set out in the Performance Evaluation Policy outlined in our Board Charter.

This policy ensures that individual Directors and the Board as a whole, work efficiently and effectively in achieving their functions.

To achieve this, the Board undertakes the following activities:

- (a) the Chair meets with each non-executive director separately to discuss individual performance and ideas for improvement;
- (b) each individual Director's performance is appraised in a meeting that is led by the Chair that is held with another Director. In a meeting led by the CEO & MD and held with another Directors, the Chair's performance is assessed; and
- (c) the Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement.

This policy is reviewed annually.

In the 2023 financial year, a performance evaluation of the Board was undertaken in line with the procedures outlined in our Board Charter.

### 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 Board is responsible for evaluating the performance of the CEO & MD in accordance with the process disclosed in the Performance Evaluation Policy outlined in our Board Charter.

The CEO & MD oversees the performance evaluation of the Senior Management Team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

In the 2023 financial year, a performance evaluation of the CEO & MD and his direct reports was undertaken in line with the procedures outlined in our Board Charter.

## **Principle 2: Structure the board to be effective and add value**

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***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:*

- (a) *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 People and Culture Committee is responsible for developing criteria for Board membership and identifying specific individuals for nomination.

In the 2023 financial year, the People and Culture Committee comprised of a majority of independent Directors and was chaired by an independent director. The Company considers that the current composition of the committee is suitable for the Company given its resources, size and operations.

The duties of the People and Culture Committee in relation to nominations are set out in the Company's People and Culture Charter.

The members, their relevant qualifications and experience and the number of times they have met during the year are set out in the Directors' Report included in the 2023 Annual Report.

### **Recommendation 2.2**

*A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.*

The Company, through its People and Culture Committee, has developed a Board skills matrix to assist in identifying the mix of skills, experience, knowledge and diversity required in the Board's membership.

A matrix of skills and diversity that the Board currently has or is looking to achieve in its membership is as shown in the table below. The Board is satisfied with the breadth of applicable skills held collectively by the directors.

The rating scale used for level of importance and recruitment priority is High (3), Medium (2), and Low (1).

Skills and Experience	Level of Importance	Current Board Representation	Recruitment Priority
<b>PROFESSIONAL AND INDUSTRY SKILLS</b>			
Industry experience	3	4	1
Technology	1	4	1
Franchising	2	3	2
Business Strategy	3	4	1
Strategic Marketing and Business Development	3	4	1
Finance and Audit	2	4	1
Cyber Security	3	4	1
Capital Markets	2	4	2
Governance, Risk and Compliance	3	4	1
HR Management	1	4	1
Prior Board experience	3	4	1
Crisis Management	1	4	1
Ethics and Integrity	3	4	1
Business disruption	3	4	1
Sustainability	3	3	2

### 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 (of the ASX Principles and Recommendations), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and*
- (c) *the length of service of each director.*

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the ASX Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Rhys Holleran (Independent Non-executive Chairman) appointed on 30 September 2020 and

as Chair on 20 April 2022;

- (b) Harry Konstantinou (Chief Executive Officer and Managing Director) appointed on 15 July 2015;
- (c) Louise Bolger (Independent Non-executive Director) appointed 5 July 2021; and
- (d) Andrew Burns (Independent Non-executive Director) appointed 20 April 2022.

Director Harry Konstantinou has substantial holdings in the Company. In this regard, for the purposes of the ASX Recommendations, any Directors with substantial holdings will have an interest that may affect their characterisation as an independent Director. Notwithstanding, the Board considers that the interests of those Directors with Shares work to align their interests with those of other Shareholders and does not impede their ability to bring an independent judgement to bear on issue before the Board and act in the best interests of the Company.

#### **Recommendation 2.4**

In the 2023 financial year, the Board comprised of a majority of independent Directors. The Company considers that the current composition of the Board is suitable for the Company given its resources, size and operations. In particular, the current size and composition of the Board has been determined having regard to the operations and skill set of the Directors both individually and collectively, and the best interest of Shareholders.

#### **Recommendation 2.5**

Rhys Holleran, the Chair of the Board is an independent director and not the same person as the Chief Executive Officer and Managing Director.

#### **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.*

The People and Culture Committee Charter requires that the Committee is responsible for ensuring that processes are in place to support Director induction programs and provide continuing professional development opportunities for Directors and regularly review the effectiveness of these processes.

### **Principle 3: Instil a Culture of Acting Ethically and Responsibly**

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***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 a Statement of Values, and they are available on the Company's website at <https://www.vivaleisure.com.au/company/our-values/>. These are the Company's guiding principles and norms that define what type of organisation we aspire to be and what is required from our people.

#### **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*

The Company has a formal Code of Conduct which outlines the manner in which the Company expects its Directors, senior executives, employees and contractors to behave and conduct business in the workplace. It includes legal compliance and guidelines on appropriate ethical standards. The Code of Conduct applies to Directors and all employees and contractors of the Company.

The objectives of the Code of Conduct are to:

- (a) provide a benchmark for ethical and professional behaviour throughout the Company;
- (b) support the Company's business reputation and corporate image within the community;
- (c) promote healthy, respectful and positive working environments for all employees and Directors;
- (d) ensure that there is compliance with laws, regulations, policies and procedures relevant to the Company;
- (e) ensure there are appropriate mechanisms and procedures in place for employees and Directors to report breaches of the Code of Conduct; and
- (f) ensure that employees and Directors are aware of the consequences for breaching the Code of Conduct.

The Code of Conduct is available on the Company's website and reinforces the Company's values.

Any material breaches of the Code of Conduct are reported to the Board.

### **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 has a Whistleblower Policy and this policy is available on the Company's website at <https://investors.vivaleisure.com.au/investor-centre/?page=corporate-governance> and includes processes for ensuring the Board is informed 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 Company has an Anti-bribery and Corruption Policy and this policy is available on the Company's website at <https://investors.vivaleisure.com.au/investor-centre/?page=corporate-governance> and includes processes for ensuring the Board is informed of any material incidents reported under the policy.

## Principle 4: Safeguard the integrity of corporate reports

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***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 Company has an Audit and Risk Committee that complies with all aspects of Recommendation 4.1 including three members, all of whom are non-executive directors and is chaired by an independent director who is not the Chair of the Board. The Company considers that the current composition of the committee is suitable for the Company given its resources, size and operations.

The Audit and Risk Committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's financial and corporate reporting, risk management and compliance structures and external functions.

The members, their relevant qualifications and experience and the number of times they have met during the year are set out in the Directors' Report included in the 2023 Annual Report, a copy of which is available on the Company's website at: <https://investors.vivaleisure.com.au/investor-centre/?page=annual-reports>.

The Audit and Risk Committee Charter sets out:

- (a) the composition of the Committee, including that it is intended that the Committee consist of:
  - i. a majority of Non-Executive Directors;
  - ii. one, or a minority of external member(s), who is/are not a Director(s) of the Company;
  - iii. a majority of independent Directors of the Company;
  - iv. an independent Chair, who is not Chair of the Board; and
  - v. a minimum of three members.
- (b) the Committee's ability to have access to Company records and employees and the external auditor for the purposes of carrying out its responsibilities;
- (c) that the Committee may seek the advice of independent advisors on any matter relating to the

- responsibilities and duties of the Committee; and
- (d) the specific responsibilities of the Committee in relation to audit responsibilities including:
- i. overseeing the Company's relationship with its external and internal auditors and audit functions generally;
  - ii. overseeing the preparation of financial statements and reports; and
  - iii. managing the process of identification of financial risk and the management of financial risk strategies.

#### **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 the Board approved the Company's half-year and full year financial statements for the 2023 financial reporting period, it received from the CEO & MD and the Chief Financial Officer (**CFO**), a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated 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 Company has an extensive 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 process by which the Company uses to verify the content of any periodic corporate report issued, that is not audited or reviewed by an independent auditor that is released to the market (such as the Directors' Report, this Corporate Governance Statement and investor presentations), varies depending on the nature of the report, but typically includes:

- non-financial components of the report are initially prepared by the CEO & MD or CFO, based on matters as known to the CEO&MD and CFO;
- financial components of the report are initially prepared by the CFO, based on first-hand information as to the Company's financial position;
- the initial drafts are prepared with assistance from legal, governance, finance and other expert advisers (as appropriate to the subject matter);
- the whole of each report (or group of reports released together) is subject to a preliminary review by each of the CEO & MD, CFO and Company Secretary, as appropriate;
- final management review by the CEO & MD and CFO;
- where formal approval is required, consideration by the appropriate Board Committee (in general, the Audit & Risk Committee) for recommendation to the Board; and
- the report is then considered and approved by all members of the Board.

#### **Principle 5: Make timely and balanced disclosure**

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***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 has adopted a Continuous Disclosure Policy, which:

- (a) provides reporting protocols and processes for determining whether information should be disclosed to the market; and
- (b) designates responsibility for managing and monitoring the Company's compliance with its continuous disclosure obligations.

All relevant information provided to the ASX has been posted on the Company's website after the ASX confirms the appropriate announcement has been made.

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the *Corporations Act 2001* (Cth); and
- (c) providing an equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

#### **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's Continuous Disclosure Policy specifies that the Board will be provided with copies of all information to be disclosed to the ASX for approval prior to lodging with the ASX.

#### **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 has adopted a Continuous Disclosure Policy which specifies the procedures for investor and analyst presentations. This includes advising the market in advance of open briefings via the ASX Announcements Platform and the Company's website, lodging all presentation materials with ASX prior to the presentation commencing and placing such information on the Company's website promptly following completion of the briefing.

## Principle 6: Respect the rights of security holders

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***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.*

The Company provides information about itself and its governance to investors via its website at [www.vivaleisure.com.au](http://www.vivaleisure.com.au). The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following is posted to the Company website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.

### **Recommendation 6.2**

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

The Company's Continuous Disclosure Policy also incorporates a shareholder communication policy which is aimed at providing and promoting an effective framework for the Company for communication with shareholders to ensure that the shareholders have sufficient information to assess the performance of the Company and are informed of all major developments affecting the Company.

The Continuous Disclosure Policy sets out:

- (a) the manner in which Company announcements are to be made (including that they must be made in a timely manner, easily accessible and readable);
- (b) the regular communications to be received by shareholders from the Company;
- (c) the manner in which the Company's website is to be used to communicate with shareholders; and
- (d) the manner in which meetings of shareholders are to be conducted.

In addition, the Company is required by law to communicate to shareholders through the lodgement of all relevant financial and other information with the ASX and, in some instances, mailing information to shareholders.

The Company also enables investors to contact the Company in a two-way relationship by maintaining an investor relations program with whom investors are able to engage and contact the Company. Where significant concerns are raised by investors or their representatives, they are conveyed to the Company's Board and senior executives where appropriate.

### **Recommendation 6.3**

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

The Board encourages full participation of shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals. For every Annual General Meeting (**AGM**), the Company, despite its size, ensures that all shareholders are able to exercise their rights to ask questions about, or make comments on, the management of the entity. The procedure and process encouraging participation in the AGM is outlined in the Notice of Meeting released prior to a meeting of security holders.

#### **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.*

All substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. The procedure and process for the meeting is fully explained in the Notice of Meeting released prior to 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.*

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the Company's website) for shareholders to make their enquiries at: <https://investors.vivaleisure.com.au/investor-centre/?page=contacts>.

### **Principle 7: Recognise and manage risk**

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

#### **Recommendation 7.1**

*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.*

The Company has an Audit and Risk Committee that complies with all aspects of Recommendation 7.1 including three members, all of whom are non-executive directors and is chaired by an

independent director who is not the Chair of the Board. The Company considers that the current composition of the committee is suitable for the Company given its resources, size and operations.

The Audit and Risk Committee assists the Board in fulfilling its responsibilities for corporate governance and oversight of the Company's risk management framework and setting an appropriate risk appetite for the Board.

The members, their relevant qualifications and experience and the number of times they have met during the year are set out in the Directors' Report included in the 2023 Annual Report.

The Audit and Risk Committee Charter sets out:

- (a) the composition of the Committee, including that it is intended that the Committee consist of:
  - i. a majority of Non-Executive Directors;
  - ii. one, or a minority of external member(s), who is/are not a Director(s) of the Company;
  - iii. a majority of independent Directors of the Company;
  - iv. an independent Chair, who is not Chair of the Board; and
  - v. a minimum of three members.
- (b) the Committee's ability to have access to Company records and employees and the external auditor for the purposes of carrying out its responsibilities;
- (c) that the Committee may seek the advice of independent advisors on any matter relating to the responsibilities and duties of the Committee; and
- (d) the specific responsibilities of the Committee in relation to risk and compliance responsibilities including:
  - i. review of the Company's risk management framework including evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies, guidelines and limited approved by the Board;
  - ii. reviewing and making recommendations to the Board on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies and the risk appetite that is appropriate for the Company; and
  - iii. managing the process of identification of risk including emerging risks and the management of risk strategies.

## **Recommendation 7.2**

*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.*

The Board has reviewed the Company's risk management framework in the reporting period to satisfy itself that it is sound, and it has continued to review the framework to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

## **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 have an internal audit function. However, the Company has achieved ISO-9001 quality management system certification. As part of its ISO-9001 certification, the Company is required to implement appropriate controls and processes to ensure transparency and accountability at all business levels. Further, as part of ongoing compliance with ISO-9001, an annual audit is conducted by a registered ISO-9001 auditor. The Company monitors, evaluates and improves its risk management and internal control processes in line with the processes set out in its Audit and Risk Committee Charter for the purpose of remaining compliant with ISO-9001. The Chief Operating Officer is responsible for ensuring compliance with ISO-9001 and has a direct reporting line to the CEO & MD and to the Board. The Company does not otherwise have a formal internal audit function.

The Company continues to monitor whether it is appropriate to establish an internal audit function given its resources, size and operations.

#### **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.*

The Company is subject to general risks and certain specific risks as outlined in the Company's Annual Report available on the Company's website. The risks specific to the Company include:

- Reliance on membership;
- Changes to regulatory frameworks;
- Reputational damage and protection of intellectual property assets;
- Increased competition;
- Technology failure or interruptions including cyber security risks;
- Privacy breaches;
- Renewals of lease agreements;
- Loss of key management personnel;
- Future acquisitions and integrations;
- Domestic and global economic conditions;
- Interest rate risk;
- Potential litigation; and
- Concentration of revenue.

In addition, where the Company has identified economic, environmental and/or social sustainability risks to which it has a material exposure the Company has disclosed how it intends to manage those risks. The Audit and Risk Committee is responsible with respect to risk management as disclosed in the Audit and Risk Committee Charter and includes (amongst other things) an annual review of the risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk.

#### **Principle 8: Remunerate fairly and responsibly**

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***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.*

In the 2023 financial year, the People and Culture Committee comprised all of the Directors and contained a majority of independent Directors and is chaired by an independent Director. The Company considers that the current composition of the committee is suitable for the Company given its resources, size and operations.

The role of the People and Culture Committee is to make recommendations to the Board on remuneration packages and policies in respect of Directors and senior executives of the Company and to ensure that the remuneration packages and policies adopted by the Board are consistent with the strategic objectives of the Board.

All Directors are members of the People and Culture Committee.

The People and Culture Charter sets out the composition of the Committee, including that the Committee must comprise of:

- (a) a minimum of three members, a majority of whom are independent; and
- (b) an independent Member of the Committee as Chair.

The Company's People and Culture Committee is responsible for:

- (a) reviewing and making recommendations to the Board on the Company's remuneration framework and remuneration packages;
- (b) remuneration policies which apply to senior executives and Directors which encourage them to pursue growth without rewarding conduct that is contrary to the Company's values or risk appetite;
- (c) reviewing and making recommendations to the Board on the equity-based remuneration plans available to the executive team and employees;
- (d) ensuring that the Company's remuneration packages and policies attract, retain and motivate high calibre executives and employees; and
- (e) establishing review processes for the performance of Directors, Board committees and the Board as a whole and the implementation of those processes.

## **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.*

Details of the Company's policies on remuneration are set out in the Company's "Remuneration Report" in the 2023 Annual Report published by the Company.

## **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's Securities Trading Policy includes a statement on the Company's policy on prohibiting restricted persons under that policy (i.e., directors, senior executives and specified employees) from entering into transactions (whether through the use of derivatives or otherwise) designed to hedge their exposure to the Company's securities.

In accordance with ASX Listing Rule 12.9, the Company has adopted a Securities Trading Policy which sets out the following information:

- (a) closed periods in which restricted persons must not deal in the Company's securities;
- (b) restrictions on trading that apply to the entity's key management personnel (amongst other personnel that are deemed to be "restricted persons");
- (c) trading in the Company's securities which is not subject to the Company's trading policy; and
- (d) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.