

Corporate Governance Statement

Kelsian Group Limited (**Kelsian**)

ACN 109 078 257

27 September 2024

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 2024 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). In February 2024, the appointment of Fiona Hele as an independent Chair of the Board from 1 July 2024 followed the announcement in September 2023 that Kelsian’s existing Chair of the Board, Jeff Ellison, would retire during his current term on completion of an orderly succession plan. With Fiona’s appointment to the role of Chair of the Board, Jeff retired from the Kelsian Board on 1 July 2024. This Board renewal supports our aims to increase the independence of the Board.

This Corporate Governance Statement is current as at 27 September 2024 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 Managing Director and Group Chief Executive Officer.

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 at www.kelsian.com/our-governance.

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 as desirable to locate candidates and conduct appropriate searches. 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 strives to foster 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 and can be found at www.kelsian.com/our-governance.

In FY24 we continued to deliver on our Diversity and Inclusion Strategy and embed our Diversity and Inclusion priorities across our businesses. Through this strategy we aim to create an inclusive, and accessible workplace for all, that is free from barriers, supports and celebrates the diverse talents of our team members, improves awareness of the value of diversity and inclusion across our organisation, and enables our leaders to champion diversity and inclusion.

The yearly focus of the strategy for FY24 was to focus on seeking to eliminate existing barriers that may exist for diverse groups with a particular focus on gender pay gap equity. Our progress for the year is outlined below.

| Diversity Objectives FY24 “Embedding Diverse Workforce Practices” | Diversity Initiatives FY2024 | Progress at 30 June 2024 |
|--|--|--|
| Promote pathways for diverse candidates into the business. | <ul style="list-style-type: none"> ▪ Deliver training to employees involved in recruitment, including shortlisting and interviewing, focusing on fair recruitment and unconscious bias. | <ul style="list-style-type: none"> ▪ Training is ongoing, focusing on candidate screening and question selection/development, with all new P&C leaders and recruitment specialists. |

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| Diversity Objectives FY24 “Embedding Diverse Workforce Practices” | Diversity Initiatives FY2024 | Progress at 30 June 2024 |
|---|---|--|
| | <ul style="list-style-type: none"> ▪ Review existing recruitment practices to identify any potential barriers for diverse groups in securing employment. | <p>Unconscious Bias training is currently being developed for delivery to the Australian leaders in early FY25.</p> <ul style="list-style-type: none"> ▪ Conducted an ongoing review of existing recruitment practices to avoid potential barriers for diverse groups in securing employment. |
| 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"> ▪ Review of National policies including, but not limited to Gender Equity, parental leave & flexible work policy to ensure best practice approaches and gender inclusivity. ▪ Conduct regular remuneration and rewards analyses to reduce the gender pay gap across all areas of the organisation. | <ul style="list-style-type: none"> ▪ Policy reviews completed against best practice approaches for several key Australian national policies including the Workplace Gender Equality Policy and Grievance Policy. ▪ Australian WGEA reporting submission completed. |

Looking forward, we intend to continue to focus on improving our recruitment practices and promoting proactive approaches to attract female and gender-diverse applicants and seeking to remove gender inequalities and bias from attraction, recruitment and selection processes.

Another primary focus for FY25 is to enhance the accuracy and consistency of data and information about our global workforce in order to support data-driven analysis and insights. This will help inform and shape strategies that reflect both the local businesses (people, locations and activities) as well as support analysis and potential refreshing of our Group diversity and inclusivity strategy.

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 at www.kelsian.com/our-governance.

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

Following a significant period of Board renewal and refreshment during FY24, from 1 July 2024 the Kelsian Board has exceeded its gender target and now has equal representation of each gender on its Board. Fiona Hele also leads the Board as its Chair from 1 July 2024.

Kelsian’s performance against our ‘Diverse and Inclusive Culture’ Target contained in our Sustainability Targets first published in August 2023 is set out below:

| Objective | Outcome 30 June 2024 |
|--|--|
| Achieve Board diversity of not less than 30% of Kelsian directors being of each gender | 56% Male: 44% Female Kelsian Board Directors (50% Male: 50% Female from 1 July 2024) |
| At least 30% of senior management employees to be female by 2030 | 65.11% Male: 34.89%.Female Kelsian Senior Management |

Recommendation 1.6 – Board Performance Evaluation

The Board has a 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 by the incoming Chair during April to May 2024.

The Board has a formal process for evaluation of Board performance and meeting effectiveness which was undertaken at the conclusion of each Board meeting throughout FY24.

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 undertaken as follows:

- The Managing Director and Group Chief Executive Officer's performance review is undertaken jointly by the Chair of the Board and the Chair of 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 names and details of the Company's directors during the reporting period are set out below:

- 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, retired as Chair on 1 July 2024);
- Christopher Smerdon (appointed 13 May 2004, retired 24 October 2023);
- Terry Dodd (appointed 28 March 2011);
- Fiona Hele (appointed 13 September 2016, Deputy Chair 22 August 2022 to 30 June 2024; appointed Chair 1 July 2024);
- 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);
- Jacqueline McArthur (appointed 15 January 2024); and
- Caroline Elliott (appointed 17 June 2024).

Details of the Directors, including their qualifications are set out in our Annual Report for the reporting period. Since the end of the reporting period, Caroline Elliott was appointed as a director of Cettire Limited (ASX:CTT) on 24 September 2024.

As at the date of this report there are eight directors on the Board following a period of Board renewal during FY24.

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 and Sustainability Committee, a People, Culture and Remuneration Committee and a Nomination Committee. From 1 July 2024 there has been a restructure of Board Committees and consequential change of membership.

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

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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 Smerdon and Mr Smith 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 2024 are set out in the Company's Annual Report. Each of these Committees had 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:

| Committee Members | Nomination Committee Meeting Attendance (Total of 2 meetings during the period) |
|--|--|
| Terry Dodd (Committee Chair) | 2/2 |
| Jeffrey Ellison AM (Member until 1 July 2024) | 2/2 |
| Fiona Hele | 2/2 |
| Lance Hockridge | 2/2 |
| Christopher Smerdon (Member until 24 October 2023) * | 0/1* |
| Neil Smith | 1/2 |
| Diane Grady AO | 2/2 |
| Jacqueline McArthur (Member from 15 January 2024)* | 1/1* |
| Caroline Elliott (Member from 17 June 2024)* | 0/0* |

* Committee member for part only of the reporting period

A copy of the Charter for the Nomination Committee is available on the Kelsian website at www.kelsian.com/our-governance.

Recommendation 2.2 – Board Skills Matrix

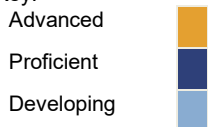
Board composition is reviewed periodically and when a vacancy arises or where the Board considers it would benefit from the services of a new Director. Directors are selected so that the Board as a collective possesses a range of skills, knowledge and experience which is appropriate to steer and oversee the strategic direction of the company, challenge management and discharge the Board's obligations effectively. The Board considers industry experience and specific expertise to be important attributes of its Board members. The individual qualifications and experience of each of our Directors is set out in our Annual Report.

To assist the Board to identify areas of focus, and to ensure an appropriate and diverse mix of skills, experience and expertise the Board undertakes an annual review of skills, experience and perspective (diversity) and has developed a Board skills matrix to support that review. As part of this evaluation each Director was asked to self-assess the extent of their skills and experiences in specific areas according to a scale with results then being calibrated through

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discussion with all Directors. The following table sets out the various skills and experience that comprise our Board Skills Matrix as at September 2024 by describing each relevant skill or experience and the number of directors that have a developing, proficient or advanced level of that skill or experience. The Board currently comprises eight directors in total including the Managing Director and Group Chief Executive Officer, and also is supported by the skills and experience of its joint company secretaries whose skills and experience are not included in the table below.

Key:



| | Number of Board members | | | | | | | |
|--|-------------------------|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| INDUSTRY/SECTOR EXPERIENCE | | | | | | | | |
| International Organisations – experience in international markets and operations across a range of business, regulatory and cultural environments in multiple geographies and different local cultures. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Transport – knowledge and experience in passenger transport businesses (bus, motorcoach, rail, ferry). | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Tendering and Contracting – knowledge and experience in businesses with tendering or contract customer base as key part of business. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Marine – knowledge and experience in marine services or marine transport. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Tourism – knowledge and experience in tourism and marketing as key part of business. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| LEADERSHIP AND GOVERNANCE | | | | | | | | |
| Leadership – experience as CEO or senior executive of a large, diversified and complex business. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Strategy and Growth – experience as a director or senior executive in developing, assessing and executing strategic objectives and plans to drive long-term growth and transformation. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Governance, Regulatory and Risk – experience as a director or senior executive in oversight and implementation of corporate governance, risk management, and regulatory compliance frameworks. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| COMMERCIAL AND OPERATIONS | | | | | | | | |
| Health and Safety – experience in overseeing effective management of health and safety management, performance and compliance. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| People and Remuneration – experience leading large, diverse, geographically distributed teams of people including oversight of remuneration, industrial relations as well as culture, diversity and inclusiveness. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Financial and Capital Management – senior executive or other experience in financial accounting and reporting, tax, internal financial controls and capital management strategies. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Technology – experience in managing and protecting information (cyber security), leveraging digital disruption (eg on demand services), or digital marketing tools. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Asset Management – experience as a director or senior executive with responsibility for oversight and management of business using assets as key part of the business generation of revenue. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| ESG and Sustainability – experience in and understanding of corporate sustainability practices to manage the impact of the business on the environment and community, and managing potential business impacts of climate change/transition. | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |

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 2024 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, Mr Lance Hockridge, Mr Terry Dodd, Mr Christopher Smerdon, Ms Diane Grady AO, Ms Jacqueline McArthur and Ms Caroline Elliott are independent Directors for the relevant period.

| Kelsian Director | Date First Appointed as Director | |
|---------------------------------------|---|----------------------|
| Mr Jeffrey Ellison AM (Chair) | 9 July 2008, retired 1 July 2024 | Non-independent, NED |
| Mr Neil Smith | 16 January 2020 | Non-independent, NED |
| Mr Clinton Feuerherdt | 3 July 2023 | Managing Director |
| Ms Fiona Hele | 13 September 2016, Deputy Chair, appointed Chair from 1 July 2024 | Independent, NED |
| Mr Terry Dodd | 28 March 2011 | Independent, NED |
| Mr Lance Hockridge | 1 July 2020 | Independent, NED |
| Mr Christopher Smerdon [^] | 13 May 2004, retired 24 October 2023 | Independent, NED |
| Ms Diane Grady AO | 1 September 2022 | Independent NED |
| Ms. Jacqueline McArthur ^{^^} | 15 January 2024 | Independent NED |
| Ms Caroline Elliott ^{^^} | 17 June 2024 | Independent NED |

[^] Mr Smerdon retired at the end of the 2023 Annual General Meeting

^{^^} Ms McArthur and Ms Elliott were both appointed to the Board for part of the reporting period

Mr Dodd is associated with a 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 for the reporting period are set out in note 32 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 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 in the 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 11 years however the Board does not consider that his independence has been compromised by his tenure. Mr Smerdon continued to bring independent judgement to bear on issues before the Board until 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 (jointly along with other third parties) that owned depot properties that were leased to subsidiaries of the Company. Mr Smith's interests received rental income during the period and Kelsian purchased the Newton bus depot in Adelaide (Feb 24) and the Hoxton Park depot in Sydney (July 24) from corporate entities in which Mr Smith has interests. Further details of those transactions are outlined in our financial statements (note 32) of our Annual Report.

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 2024 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 interest 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 Deputy Chair (who is also Chair of Audit, Risk and Sustainability Committee) fulfils the role of Board Chair in relation to that item or topic.

Following the retirement of Jeff Ellison, independent non-executive director, Fiona Hele became Chair of the Board with effect from 1 July 2024.

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.

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 and our Australian operating businesses we call these our 'COMPASS' values.

A copy of our values statement can be found on the Company's website at <https://cdn.kelsian.com/volumes/uploads/COMPASS-Values-Poster.pdf?v=1653026473>.

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 the equivalent values may be expressed and adopted using different language most appropriate for the history and local environment of our different operating businesses.

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. 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 Company's website www.kelsian.com/our-governance.

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 Company's website www.kelsian.com/our-governance. This has recently been updated to incorporate further improvements in line with ASIC guidance and a broader policy review conducted whilst reviewing and revising the Anti-Bribery, Corruption and Sanctions Policy.

A 24-hour whistleblower hotline operated by an independent provider is available to support disclosures and reporting under this policy.

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. In September 2024, this policy was revised to more explicitly communicate our expectations related to conduct contravening any applicable sanctions laws.

Our Anti-Bribery, Corruption and Sanctions Policy can be found on the Company's website at www.kelsian.com/our-governance.

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 – Audit Committee

The Board Audit, Risk and Sustainability Committee provided assistance to the Board during the period to fulfil the Company's corporate governance and oversight responsibilities in relation to financial and non-financial (sustainability) reporting, risk management, and internal control environment.

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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 at least 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 5 meetings during the period) |
|---|---|
| Fiona Hele (Committee Chair) | 5/5 |
| Lance Hockridge | 5/5 |
| Terry Dodd | 5/5 |
| Jacqueline McArthur (Member from 15 January 2024) | 2/2* |

* Committee member for part only of the reporting period

A copy of the Audit, Risk and Sustainability Committee Charter is available on the Company’s website at www.kelsian.com/our-governance.

From 1 July 2024 oversight of audit and financial matters will be the responsibility of our Finance and Audit Committee to support the Board. A copy of the new Finance and Audit Committee Charter is also available on our Company website.

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 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:

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- 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 Company's website at www.kelsian.com/our-governance.

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 its 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.

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;
- Annual Sustainability Report;
- 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. From 1 July 2024 the Safety, Risk and Sustainability Committee will support Board oversight of risk management.

Refer to recommendation 4.1 above for a list of key responsibilities of the Audit, Risk and Sustainability 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 Company’s website at www.kelsian.com/our-governance.

The Audit, Risk and Sustainability Committee members were all required to possess sufficient technical expertise and industry knowledge to fulfil the functions of the Committee. It was composed of at least three Directors, all of whom were independent throughout the reporting period, and it was 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. This incorporates the Kelsian Group Risk Management Policy which sets out the approach, principles and roles and responsibilities for managing risk across the Group and Group Appetite Framework which informs the business of the Board’s appetite for certain risks. 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. The Audit, Risk and Sustainability Committee (now the Safety, Risk and Sustainability Committee), along with the Group Executive, monitor these risks to ensure the risk is within the Board’s risk appetite, whilst at the same time identifying and analysing emerging risks that we face in the pursuit of our objectives. 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 team, providing independent and objective assurance on the Group's system of risk management and internal controls through:

- performing internal audits in line with the Group's risk-based internal audit plan; and
- reporting to the Audit, Risk and Sustainability Committee (from 1 July 2024, internal audit reporting is to the Finance and Audit 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 (now Finance and Audit 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.

In FY24 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. More information is available in our 2024 Sustainability Report available on our website at www.kelsian.com/our-governance.

Risk Summary

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.

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| Risk | Description | Mitigation |
|------------------------------------|--|--|
| External Risks | | |
| 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 interest rates, 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. In FY24, Kelsian announced it signed a binding agreement to refinance and upsize its' existing debt facilities which are available to support our global operations. 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> | Information on how Kelsian manages climate change risks is included in the Sustainability Report. |
| 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> |

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| Risk | Description | Mitigation |
|---|--|--|
| Strategic Risks | | |
| 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 Corporate Development Function which oversees 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>A large proportion 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 Divisions have extensive expertise to ensure we meet the requirements and standards of 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 had 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</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</p> |

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transitioning services may be more complex or costly than expected, encounter unexpected challenges, divert management attention or attract adverse media attention. Australia and Singapore.

| Risk | Description | Mitigation |
|--------------------------|--|---|
| Operational Risks | | |
| 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. As part of this, the Group delivers an annual assurance program (external & internal) to monitor the effectiveness of safety risk management practices.</p> <p>Kelsian has Safety Management Systems in place across all its operations which are designed to 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. |

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 at least 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:

| Committee Members | Committee Meeting Attendance (Total of 6 meetings during the period) |
|--|---|
| Lance Hockridge (Committee Chair) | 6/6 |
| Diane Grady AO | 6/6 |
| Christopher Smerdon (Member until 24 October 2023) | 2/2* |
| Fiona Hele (Member from 24 October 2023 until 1 July 2024) | 4/4* |
| Jacqueline McArthur (Member from 15 January 2024) | 3/3* |

* Committee member for part only of the reporting period

A copy of the People, Culture and Remuneration Committee Charter is available on the Company’s website at www.kelsian.com/our-governance.

From 1 July 2024 oversight of the implementation and effectiveness of practices of Kelsian concerning work health and safety, and the environment will be undertaken by the Safety, Risk and Sustainability Committee.

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.

During the period there was no requirement for either the Managing Director and Group Chief Executive Officer or Key Management Personnel to hold shares in the Company. In July 2024 Kelsian introduced a minimum shareholding policy for KMP to apply from FY25 onwards. 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.

The maximum annual aggregate remuneration amount approved by shareholders that can be paid to non-executive Directors is currently \$1.75 million per annum. This cap was approved by shareholders at the 2023 AGM on 24 October 2023. 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 FY24, and a summary of that scheme is set out in our Remuneration Report in our FY24 Annual 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.

All Directors during the reporting period were non-executive Directors other than Mr Feuerherdt who became Managing Director on 3 July 2023.

A summary of the Kelsian Group Rights Plan is set out in the notices to shareholders considered at the 2023 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 www.kelsian.com/our-governance.