

CORPORATE GOVERNANCE STATEMENT

The Directors and management of Johns Lyng Group Limited ACN 620 466 248 (**JLG** or the **Company**) and its controlled entities (the **Group**) are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (*Third Edition*) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared this statement which sets out its corporate governance practices that were in operation throughout the financial year ended 30 June 2020. This statement identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations. This statement is current as at 25 August 2020 and has been approved by the Board of the Company.

The Company's corporate governance policies, charters and policies are all available on the Company's website www.johnslyng.com.au (**Website**).

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| Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its Board and management and how their performance is monitored and evaluated.</i> | | |
| 1.1 A listed entity should disclose: (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. | Complying | <p>The Board has adopted a charter (Board Charter) which establishes the role of the Board and its relationship with management. The Board Charter clearly articulates the division of responsibilities between the Board and management, in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities.</p> <p>The primary role of the Board is the protection and enhancement of long-term shareholder value, and its responsibilities include the overall direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of the Company.</p> <p>The Board Charter sets out the role and responsibility of the Chairman and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.</p> <p>The Board has delegated to the MD & CEO the authority and power to manage the Company and its businesses within levels of authority specified by the Board from time-to-time. The MD & CEO may sub-delegate aspects of his authority and power but remains accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business units.</p> <p>The Board will review the Board Charter at least annually, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.</p> <p>A copy of the Board Charter is available on the Website.</p> |
| 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a | Complying | <p>The Board has established and operates a Nomination & Remuneration Committee. The Nomination & Remuneration Committee's functions and powers are formalised in a Nomination & Remuneration Committee Charter, a copy of which is available on the Website.</p> <p>The nomination-related function of the Nomination & Remuneration Committee is to, where required:</p> |

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| | <p>candidate for election, as a Director; and</p> <p>(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.</p> | <ul style="list-style-type: none"> ▪ identify suitable candidates with appropriate skills, experience, expertise and diversity to complement the existing Board, in order for the Board to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board; ▪ undertake appropriate checks on a candidate and seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a Director; and ▪ subject to the results of such checks and confirmations, make recommendations to the Board on their appointment. <p>Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.</p> <p>The Company will provide information to shareholders about Directors seeking re-election at a general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed Directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect of the re-election of the Director.</p> <p>The Company will, in the case of a candidate standing for election as a Director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Nomination & Remuneration Committee has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on Board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an Independent Director; and a recommendation by the Board in respect of the election of the candidate.</p> |
| 1.3 | <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p> | <p>Complying</p> <p>All Non-Executive Directors of the Company and senior executives of the Company have entered into written agreements with the Company.</p> <p>Specifically, each Non-Executive Director has been given a letter of appointment which outlines terms including the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. Similarly, senior executives have a formal job description and services agreement or employment agreement with the Company describing their term of office, duties, rights and responsibilities, and entitlements on termination.</p> |
| 1.4 | <p>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.</p> | <p>Complying</p> <p>The Company Secretaries are responsible for the day-to-day operations of the Board, including the administration of Board and committee meetings, overseeing the Company's relationship with its share registrar and lodgements with the ASX and other regulators. The Company Secretaries are also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with the Company's Market Disclosure Policy. The Company Secretaries support the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and dispatch of Board agendas and briefing papers.</p> <p>The Company Secretaries are accountable to the Board, and all Directors have access to the Company Secretaries. The decision</p> |

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| | | | to appoint or remove the Company Secretaries is made or approved by the Board. |
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | Part - Complying | <p>The Company is committed to the principles of employing people with a broad range of experiences, skills and views. All executives, managers and employees are responsible for promoting workforce diversity. The Company has adopted a Diversity Policy which can be viewed on the Website. The Diversity Policy requires the commitment of the Group to promote the specific objective of diversity and seeks to ensure, to the extent that is practicable and appropriate, that the Company's Director appointment and employee recruitment processes are undertaken with reference to the objectives of the Diversity Policy.</p> <p>The Diversity Policy includes requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them. Whilst the Company has not yet set formal measurable objectives for achieving gender diversity, the Company is nonetheless committed to recruiting employees from a diverse pool of qualified candidates.</p> <p>The Board is charged with the responsibility of undertaking an annual review to:</p> <ul style="list-style-type: none"> ▪ assess its policies and procedures in reference to its diversity objectives; ▪ determine whether its diversity policies and procedures are and are likely to continue to be appropriate; and ▪ ensure that the Company, and its policies and procedures, comply with all applicable legal requirements in respect of diversity and that such policies and procedures remain relevant and effective. <p>As at 30 June 2020, the Company employed a total of 1,025 employees; of these, 386 are female, and of these 1 holds a senior management role. There are currently two female Directors on the Company's Board. There are two Company Secretaries, one is male, and one is female.</p> <p>For the purposes of determining the number of female senior executives in the Company, the Company has defined "senior executive" as those who reported directly to the MD & CEO.</p> <p>The Company has not lodged a report with the Workplace Gender Equality Agency during the reporting period.</p> |

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| <p>1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Complying</p> | <p>The Directors undertake an annual process to review the performance and effectiveness of the Board, the Board Committees and individual Directors. The Company Secretaries oversee this process.</p> <p>As part of the review, each Director completes a questionnaire relating to the Board's and each Committee's role, composition, procedures, practices and behaviour. The questionnaires are confidential. The Chairman leads a discussion of the questionnaire results with the Board as a whole and provides feedback to individual Directors as necessary.</p> <p>A performance evaluation for the Directors has taken place in the reporting period.</p> |
| <p>1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>Complying</p> | <p>The Company's Nomination & Remuneration Committee, together with the Company's MD & CEO, evaluates the performance of the Group's senior executives annually.</p> <p>The Nomination & Remuneration Committee also reviews the MD & CEO's performance annually. A performance evaluation for the Group's senior executives and the MD & CEO has taken place in the reporting period.</p> |
| <p>Principle 2 – Structure the Board to add value</p> <p><i>A listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i></p> | | |
| <p>2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the</p> | <p>Part - Complying</p> | <p>The Board has established a Nomination & Remuneration Committee, comprising three members; Curt Mudd, Robert Kelly and Peter Nash. The Nomination & Remuneration Committee's functions and powers are formalised in a Charter which was adopted by the Board on 28 September 2017, a copy of which is available on the Website.</p> <p>All members of the Nomination & Remuneration Committee are Non-Executive Directors and a majority of the members are independent. The Chair of the Committee, Curt Mudd, is a Non-Executive Director, however, is not considered independent due to his previous employment with the Company. However, the Board is comfortable that he contributes to the Nomination & Remuneration Committee with unbiased judgement and seeks guidance from independent sources where necessary.</p> <p>The nomination-related function of the Nomination & Remuneration Committee is, in summary, to review and make recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management).</p> <p>The Nomination & Remuneration Committee meets quarterly. Following each meeting, the Nomination & Remuneration</p> |

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| | <p>period and the individual attendances of the members at those meetings; or</p> <p>(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.</p> | <p>Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation that requires Board approval.</p> <p>The number of times that the Nomination & Remuneration Committee met during the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.</p> |
| 2.2 | <p>A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p> | <p>Complying</p> <p>The Board aims to be comprised of Directors which have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's responsibilities. This objective is enumerated in the Board Charter.</p> <p>The Board regularly evaluates the mix of skills, experience and diversity at the Board level, and has developed and adopted a Board skills matrix which has been tailored to the circumstance and requirements of the Company. It is intended that the skills matrix will be reviewed at least annually by the Board to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company's circumstances and strategic priorities.</p> <p>The objectives of the skills matrix adopted by the Board are to:</p> <ul style="list-style-type: none"> ▪ Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfil its role and in light of the Company's strategic direction; ▪ Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and ▪ Identify any gaps in skills or competencies that can be addressed in future director appointments. <p>In respect of the reporting period, the Board assessed each Director's skill level against the following key skills set out in the matrix, which the Board considered to be desired of the Directors of the Company:</p> |

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| <p>2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director.</p> | <p>Complying</p> | <p>The Board is currently comprised of Peter Nash, Scott Didier, Lindsay Barber, Adrian Gleeson, Phillipa Turnbull, Peter Dixon, Curt Mudd, Larisa Moran and Robert Kelly.</p> <p>The Board has considered the circumstances of each Director and determined that Peter Nash, Larisa Moran, Peter Dixon and Robert Kelly are Independent Directors, on the basis that they are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of their judgement.</p> <p>The Board has determined that Scott Didier, Lindsay Barber, Adrian Gleeson and Philippa Turnbull are not independent, on the basis that they hold executive roles within the Company. The Board has determined that Curt Mudd is not considered independent, given his previous employment with the Company ending in December 2018.</p> <p>In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.</p> <p>The Board, with the guidance of the Nomination & Remuneration Committee, will continually assesses whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Corporations Act and monthly Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an Independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.</p> <p>The length of service of each Director is set out in the Company's 2020 Annual Report.</p> |
| <p>2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p> | <p>Non Complying</p> | <p>The Board consists of nine Directors, four of whom are independent (being Peter Nash, Peter Dixon, Larisa Moran and Robert Kelly).</p> |

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| 2.5 | The chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity. | Complying | <p>Peter Nash is Non-Executive Chairman of the Board and is considered by the Board to be an Independent Director.</p> <p>The positions of Chairman and MD & CEO are held by separate persons; Peter Nash and Scott Didier respectively.</p> |
| 2.6 | A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. | Complying | <p>The Nomination & Remuneration Committee is tasked with ensuring that an effective induction process is in place for newly appointed Directors, and the review of that process. The Nomination & Remuneration Committee is also responsible for ensuring that Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to effectively perform their role as a Director.</p> <p>As Directors join the Board, they undertake an induction program, which includes the provision of information on the Company's core values, key strategies, objectives, as well as its governance framework and operations. New Directors also meet with key senior management to gain a better appreciation of the Group's services and capabilities.</p> <p>The Board receives ongoing governance updates as required. All Directors have ongoing access to information on the Company's operations and to the Group's senior management. Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.</p> |
| Principle 3 – Act ethically and responsibly <i>A listed entity should act ethically and responsibly</i> | | | |
| 3.1 | <p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> | Complying | <p>The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct for Directors and Senior Executives (Code of Conduct), a copy of which is available on the Website, and which sets out the way in which the Company seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Company in strict compliance with all laws and regulations.</p> <p>The Code of Conduct articulates acceptable practices for Directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices. The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.</p> <p>Responsibilities of the Company's personnel under the Code of Conduct include protection of JLG's business, using its resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.</p> |

Principle 4 – Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

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| <p>4.1</p> | <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(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,</p> <p>and disclose:</p> <p>(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</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>Complying</p> | <p>The Board has established an Audit Committee, comprising three members, Larisa Moran, Peter Dixon and Curt Mudd. The majority of the members of the Audit Committee are Independent Non-Executive Directors.</p> <p>The Chair of the Committee, Larisa Moran, is an Independent Director and not the Chair of the Board.</p> <p>The audit-related role of the Audit Committee is to oversee the Company's financial reporting and its internal and external audit functions.</p> <p>This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.</p> <p>The Audit Committee's functions and powers are formalised in a Charter which was adopted by the Board on 28 September 2017, a copy of which is available on the Website.</p> <p>The Chair of the Committee may invite other Directors, members of senior management and representatives of the external auditor to be present at meetings of the committee and seek advice from external advisers. The Audit Committee regularly reports to the Board about committee activities, issues and related recommendations.</p> <p>The number of times that the Audit Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Audit Committee members are disclosed in the Company's 2020 Annual Report.</p> |
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| 4.2 | <p>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.</p> | <p>Complying</p> | <p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board, with the guidance of the Audit Committee reviews the Group's half year and annual financial statements.</p> <p>The Board has a process to receive written assurances from the MD & CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> <p>The Board does and will continue to seek these assurances prior to approving the annual financial statements for all half year and full year results.</p> |
| 4.3 | <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> | <p>Complying</p> | <p>In accordance with the Company's Shareholder Communications Policy, a copy of which is available on the Website, shareholders are encouraged to attend the Company's Annual General Meeting, which the Company's auditors will be requested to attend.</p> <p>Shareholders will be given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p> |
| <p>Principle 5 – Make timely and balanced disclosure <i>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.</i></p> | | | |
| 5.1 | <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>Complying</p> | <p>The Board has adopted a Market Disclosure Policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors.</p> <p>The Company Secretaries are responsible for interpreting the Market Disclosure Policy and where necessary informing the Board. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>The Company Secretaries are responsible for all communications with the ASX. All Company announcements are vetted and authorised by the Board and senior management to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.</p> <p>A copy of the Market Disclosure Policy is available on the Website.</p> |

Principle 6 – Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

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| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | Complying | <p>The “investors” section of the Website is the primary medium of providing information to all shareholders and stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.</p> <p>The investors section of the Website contains information relevant to shareholders and stakeholders including:</p> <ul style="list-style-type: none"> ▪ all relevant announcements made to the market, including annual and half yearly reports; ▪ all corporate governance policies and charters adopted by the Board; ▪ information provided to analysts or media during briefings; and ▪ the full text of notices of meeting and explanatory material. |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | Complying | <p>The Board is committed to facilitating effective two-way communication with its shareholders, investors and stakeholders, and has adopted a Shareholders Communications Policy to define and support this commitment. A copy of the Shareholders Communications Policy is available on the Website.</p> <p>The Shareholders Communications Policy sets out the Company’s investor relations approach, namely by communicating with its shareholders and investors by posting information on the Website, and by encouraging attendance and participation of shareholders at general meetings.</p> <p>In particular, the Board intends to inform its shareholders of all major developments affecting the Company’s state of affairs as follows:</p> <ul style="list-style-type: none"> ▪ The annual report will be distributed to all shareholders, including relevant information about the operations of the Company during the year and changes in the state of affairs. ▪ The half-yearly report to the ASX contains summarised financial information and a review of the operations of the Company during the period. ▪ All major announcements are lodged with the ASX and posted on the Company’s website. ▪ Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders. ▪ The Board will encourage full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity’s strategy and goals. ▪ The Company’s auditor will attend the Annual General Meeting. |

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| 6.3 | <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> | <p>Complying</p> | <p>Shareholders will be encouraged to attend the Company's general meetings and notice of such meetings will be given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.</p> <p>The Company's Annual General Meeting in particular is an opportunity for shareholders to receive updates from the MD & CEO and Chairman on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at annual general meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p> <p>The date, time and location of the Company's general meetings will be provided in the notices of meetings, and on the Website. Whilst shareholders are encouraged to attend meetings in person, if they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.</p> |
| 6.4 | <p>A listed entity should give security holders the option to receive communications from and send communications to the entity and its security registry electronically.</p> | <p>Complying</p> | <p>Investors are able to communicate with the Company electronically by emailing the Company Secretaries.</p> <p>Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.</p> <p>The Company encourages its shareholders to receive company information electronically by registering their email addresses online with the Company's share registry.</p> |

Principle 7 – Recognise and manage risk

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

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| 7.1 | <p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(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.</p> | <p>Complying</p> | <p>The Board has established a Risk & Compliance Committee comprising three members; Larisa Moran, Peter Dixon and Peter Nash.</p> <p>All members of the Risk & Compliance Committee are Independent Non-Executive Directors and the Chair of the Committee, Peter Nash is an Independent Non-Executive Director.</p> <p>The risk-related role of the Risk & Compliance Committee is to oversee the Company's internal control structure and risk management systems, to provide advice to the Board and to report on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.</p> <p>The Risk & Compliance Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>The Risk & Compliance Committee meets quarterly. The number of times that the Risk & Compliance Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Risk & Compliance Committee members are disclosed in the Company's Annual Report.</p> |
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| 7.2 | <p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | Complying | <p>The Group operates various policies and procedures to identify, assess and manage business and operational risks. Responsibility for risk management is shared across the organisation. The Board is responsible for overseeing the establishment of and approving risk management strategy, policies, procedures and systems of the Company. The Company management is responsible for establishing the Company's risk management framework.</p> <p>The Board has delegated to the Risk & Compliance Committee responsibility for reviewing and monitoring the Company's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.</p> <p>In addition, the Risk & Compliance Committee is required, under its charter, to undertake a review of the Company's risk management framework with management, at least once annually. A review of the risk management framework and risk register was undertaken during the reporting period.</p> |
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | Complying | <p>As set out in the Audit Committee Charter, the Committee has responsibility to ensure that the Company has appropriate internal systems and controls in place, and for overseeing the effectiveness of these internal controls.</p> <p>The Company's external auditors are also entrusted with the task of providing recommendations to the Board where internal control weaknesses have been identified.</p> <p>The Risk & Compliance Committee is responsible for overseeing the implementation of recommendations to improve internal control weaknesses made by the Company's auditors, as well as to generally oversee reviews and improvements to risk management and internal control processes.</p> |
| 7.4 | <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | Complying | <p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>Whilst the Company has exposure to elements of risks relevant to the industry in which the Company operates, the Company does not consider, given the nature of its business, that it has any specific extraordinary exposure to economic, environmental and social sustainability risks.</p> |

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay Director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

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| 8.1 | <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director, and disclose:</p> | Part - Complying | <p>The Board has established a Nomination & Remuneration Committee, comprising three members; Curt Mudd, Robert Kelly and Peter Nash. The Nomination & Remuneration Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>All members of the Nomination & Remuneration Committee are Non-Executive Directors and a majority (two out of three) are Independent Directors.</p> <p>The Chair of the Committee, Curt Mudd, is not considered independent due to his previous employment with the Company.</p> |
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| | <p>(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.</p> | | <p>However, the Company is comfortable that he contributes to the Nomination & Remuneration Committee with unbiased judgement and seeks guidance from independent sources where necessary.</p> <p>The remuneration-related function of the Nomination & Remuneration Committee is to review and make recommendations to the Board on remuneration packages and practices applicable to the MD & CEO, senior executives and Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Nomination & Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.</p> <p>The Nomination & Remuneration Committee meets quarterly. Following each meeting, the Nomination & Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination & Remuneration Committee that requires Board approval.</p> <p>The number of times that the Nomination & Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.</p> |
| <p>8.2</p> | <p>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.</p> | <p>Complying</p> | <p>Details of Directors' and key senior executives' remuneration are set out in the Remuneration Report section of the Company's 2020 Annual Report.</p> <p>The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report section of the Company's 2020 Annual Report.</p> |
| <p>8.3</p> | <p>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.</p> | <p>Complying</p> | <p>The Company has adopted an Employee and Executive Incentive Plan (Plan) to encourage executives and employees to have a greater involvement in the achievement of the Group's objectives and to attract and retain employees essential for continued growth and development of the Group. The Plan is designed to align the interests of eligible employees more closely with the interests of the Company and shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company through the granting of options and performance rights, deferred share awards or exempt share awards which may be subject to vesting conditions set by the Board.</p> <p>A summary of the Plan was provided in the Company's Prospectus dated 2 October 2017, which was lodged with the ASX on 24 October 2017. Participants in the Plan are not permitted to hedge or otherwise limit the economic risk of participating in the Plan.</p> <p>In addition, the Company has adopted a Securities Trading Policy which prohibits Directors, senior executives and other key management personnel and their closely related parties from entering into any arrangement that would have the effect of, directly or indirectly, granting any form of security (whether by way of charge, mortgage, pledge or otherwise) over any of the Company securities which are unvested or subject to a holding lock, to secure any obligation or enter into any margin lending arrangement involving the Company's securities.</p> <p>A copy of the Company's Securities Trading Policy is available on the Website.</p> |