



Reinventing the parking experience

2026 Corporate Governance

Corporate Governance

For the year ended 30 June 2026

The Board of Directors of Smart Parking Limited (“SPZ”) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company. The Board is elected by and accountable to shareholders. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th Edition (“the ASX Principles”) where considered appropriate for a company of SPZ’s size, nature, and stage of development. This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles as adopted by the Company.

Further details in respect to the Company’s corporate governance practices are summarised below, and copies of the Company’s corporate governance policies are available on the Company’s website at www.smartparking.com

Principle 1: Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

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

The Company’s Corporate Governance Plan (www.smartparking.com/investor-centre) has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is responsible for oversight of management and the overall corporate governance of the Company, including its strategic direction, establishing goals for management and monitoring the achievement of those goals, monitoring systems of risk management and internal control, codes of conduct, and legal compliance.

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director and the management team. The Board ensures that both the Managing Director and the management team are appropriately qualified and experienced to discharge their responsibilities and have procedures in place to monitor and assess their conduct, the general operations and financial business of the Company in accordance with the delegated authority of the Board, and to progress the strategic direction provided by the Board.

Recommendation 1.2

A listed entity should:

a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election as a director; and

b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The full Board carries out the role of the Nomination Committee.

Accordingly, the responsibility for the selection of potential Directors lies with the full Board of the Company. A separate Nomination Committee has not been constituted because the Board considers that the size of the current full Board permits it to act as the Nomination Committee and to regularly review membership. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans, and an evaluation of the Board’s performance and consideration of appointments and approvals.

When a Board vacancy occurs, the Board, acting as the Nomination Committee, identifies the particular skills, experience, and expertise that will best complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria.

Directors are not appointed for specific terms, as their periods in office are regularly reviewed as part of regular performance evaluation processes, and they are subject to re-election every three (3) years.

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings, and/or background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company provides shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the Notice of Meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company’s website, Annual Report or other document lodged with ASX where the information can be found.

Recommendation 1.3

A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

Appointment terms of the Company’s Directors and senior executives are summarised in written agreements.

Recommendation 1.4

The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

In accordance with the Board Charter, the decision to appoint or remove the Company Secretary must be made or approved by the Board. The Company's Secretary is accountable directly to the Board through the Chair, on all matters to do with the proper functioning of the Board. This includes agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX, and statutory and other filings.

Recommendation 1.5

A listed entity should:

- a) *have and disclose a diversity policy;*
- b) *through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives, and workforce generally; and*
- c) *disclose in relation to each reporting period:*
 - 1) *the measurable objectives set for that period to achieve gender diversity;*
 - 2) *the entity's progress towards achieving those objectives; and*
 - 3) *either:*
 - a) *the respective proportions of men and women on the board, in senior executive positions, and across the whole workforce; or*
 - b) *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators," as defined in and published under that Act.*

The Company has a Diversity and Inclusion Policy and provides a framework for the Company to establish and achieve measurable diversity objectives.

The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people. The Company has not yet set measurable targets for achieving gender diversity objectives due to the Company's current size and level of operations. The Company is aware of the importance of gender diversity within the workforce and

looks to achieve a culture of inclusion when assessing a suitable candidate for an open position and through its day-to-day practices. The Company opposes all forms of unlawful and unfair discrimination.

In recruitment, promotion and development, the Company is merit-based and it actively promotes women where they are the best candidates for the role. The Company fosters a flexible and inclusive culture to encourage strong participation from all genders.

The participation of women in the Company at the date of this report is as follows:

- Women on the Board – 20%
- Women in senior management positions – 29%
- Women employees in the Company – 34%

A proportion of the work force is car parking attendants who due to the nature of the work tend to be male.

Recommendation 1.6

A listed entity should:

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

On a regular basis, the Board conducts a performance review of the whole Board, the Directors individually, and each Committee.

The Board review includes consideration of the following:

- comparing the performance of the Board against requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- reviewing the Board's interaction with management;
- reviewing the type and timing of information provided to the Board by management;
- reviewing management's performance in assisting with the Board to meet its objectives; and
- identifying any improvements to the Board Charter and operations.

Committee performance reviews were conducted during the year in accordance with the above process. The Board will continue to review its performance on a regular basis.

Corporate Governance (cont.)

The Chair of the Board may also meet individually with each Board member to discuss their performance. Non-executive Directors may also meet to discuss the performance of the Chair or the Managing Director.

The Managing Director's performance is regularly assessed by the Chairman and the Non-Executive Directors and, in addition, the Managing Director's performance is formally assessed annually in the context of incentive remuneration assessment.

Recommendation 1.7

A listed entity should:

- a) *have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process or in respect of that period.*

Each of the Group's senior executives, including the Chief Executive Officer, has a service agreement that clearly sets out his or her role and the Group's expectations in terms of performance. KPIs and targets for senior executives are set at least annually and form the basis of the calculation of short term and long term incentives.

Performance of senior management is reviewed by the Remuneration Committee annually or more frequently if required. The Board as a whole may then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or other feedback with senior executives.

The Company monitors and assesses senior management via the Chief Executive Officer who reports on the progress of senior management to the Board.

Performance reviews of senior executives were conducted during the year in accordance with the above process.

Principle 2: Structure the Board to be effective and add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

Recommendation 2.1

The Board of a listed entity should:

a) *have a nomination committee which:*

- 1) *has at least three members, a majority of whom are independent Directors; and*

2) *is chaired by an independent director, and disclose:*

3) *the charter of the committee;*

4) *the members of the committee; and*

5) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively*

The Board is currently not of a relevant size that justifies the formation of a separate Nomination Committee. The full Board operates as the Nomination Committee. See comments in Recommendation 2.3 and 2.4 regarding the independence of directors.

The Board oversees the selection, appointment, and succession planning process for Directors and the Company's Managing Director, when relevant. When a vacancy exists or there is a need for a particular skill, the Board determines the selection criteria that will be applied. The Board will then identify suitable candidates with assistance from an external consultant if required, and will interview and assess the selected candidates.

Directors are initially appointed by the Board and must stand for re-election at the Company's next Annual General Meeting of shareholders. Directors must then retire from office and nominate for re-election at least once every three years, with the exception of the Managing Director.

The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence, and diversity on the Board. The Board continues to review its composition with a view to enhancing its base of skills and experience.

The Board is responsible for conducting new Director inductions. Professional development opportunities are considered on an individual Director basis, with opportunities provided to individual Directors where appropriate.

Recommendation 2.2

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

The Board has developed a Board skills matrix which sets out the skills and experiences that the Board has or is looking to achieve. The following table summarises the key skills of the existing non-executive directors:

Leadership and Governance

- Strategy
- Innovation and Entrepreneurship
- CEO level experience
- Other non-executive director experience
- Corporate governance

Financial and risk

- Accounting, finance and tax
- Audit, risk and compliance

Business experience

- M&A and capital markets experience
- International business experience
- Outsourced business services
- Growth and scale-up
- Business development/access to networks
- Parking business and related industry experience
- Local government/councils and tender business
- Listed company experience

Geographic experience

- North America
- UK and Europe
- Asia
- Australia

Other

- Technology
- HR/remuneration

Recommendation 2.3

A listed entity should disclose:

- the names of the Directors considered by the board to be Independent Directors;*
- if a Director has an interest, position or relationship that might cause doubts about their independence as a Director 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;*
- the length of service of each Director.*

The Board considers an independent director to be a Non-Executive Director who is not a member of the Company's senior executive and who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its shareholders.

The Company's Corporate Governance Plan reflects this principle and requires the Board to assess whether any interest, position or relationship might interfere, or be reasonably seen to interfere, with a Director's ability to act in the best interests of the Company as a whole.

The current Board composition includes four Non-Executive Directors, three of whom are considered independent.

During the year ended 30 June 2026, there were three non-executive directors, two of whom are considered independent. After the end of the reporting period, Mr Simon Jones was appointed a Non-Executive Director effective 1 July 2026. He is considered by the Board to be an Independent Director.

Ms Fiona Pearse has served on the Board for 7 years. She is considered by the Board to be an Independent Director.

Mr Jeremy King is regarded as an Independent Director. Mr King was first appointed as a Director in 2012 and has served on the Board for over 14 years. In accordance with Recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations, the Board recognises that while long tenure alone does not preclude independence, it should regularly assess whether a Director's extended service may reasonably be perceived to affect their capacity to bring independent judgment to bear.

The Board has considered and determined that, on balance, Mr King continues to satisfy the criteria for independence because he has not ever been employed by the Company in an executive capacity, does not receive performance based remuneration or participate in an employee incentive scheme of the Company, has never had a material business relationship with the Company or its subsidiaries (and nor is he an officer of, or associated with someone with such a relationship) and does not have close personal ties with anyone who falls within any of the categories described above.

Mr Morris has served on the Board as a Non-Executive Director for 17 years and is not considered independent due to his substantial shareholding.

Mr Gillespie has served on the Board as Managing Director for 13 years and is not considered independent due to being an executive.

Recommendation 2.4

A majority of the Board of a listed entity should be Independent Directors.

The Board regularly reviews the independence of each Non-executive Director.

The Company did not comply with recommendation 2.4 in FY26. The Board is cognisant of the value of having a Board with a majority of independent Directors and has appointed Mr Simon Jones as an Independent Director, effective 1 July 2026, achieving a majority of independent Directors from that date.

Corporate Governance (cont.)

Mr Morris is not independent as he is a substantial shareholder. However, the Company notes strong alignment between Mr Morris and all other shareholders in seeking to maximise the Company's value. Therefore, the Company considers that Mr Morris's lack of independence does not hinder his ability to make decisions in the best interests of the Company.

Recommendation 2.5

The Chair of the Board of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.

The Chairman, Mr Chris Morris, is not the CEO of the Company. He is not considered independent for the reasons set out above. However, Mr Morris provides significant expertise and international business experience, and the balance of the Board is collectively satisfied that Mr Morris exercises independent judgement in carrying out his duties as Chairman of the Company. To the extent that the Board views any Director to have a conflict or perceived conflict of interest in matters that come before the Board then such Directors will be required to excuse themselves from the relevant decision making process.

Recommendation 2.6

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

The process for this is outlined in 2.1 above. There is a process for inducting new Directors.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

Recommendation 3.1

A listed entity should articulate and disclose its values.

The Company has adopted a Statement of Values that underpins the commitment that each individual and the Company as a whole lives by each and every day and includes the following values:

- Trust
- Passion
- Accountability
- Innovation

Recommendation 3.2

A listed entity should:

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

The Company recognises the importance of establishing and maintaining high ethical standards and decision-making in conducting its business and is committed to increasing shareholder value in conjunction with fulfilling its responsibilities as a good corporate citizen. All Directors, managers, and employees are expected to act with the utmost integrity, honesty, and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Company has established a Code of Conduct, which can be viewed on its website. Unethical practices, including fraud, legal and regulatory breaches, and policy breaches, are required to be reported on a timely basis to management and the Risk and Audit Committee of the Board, and will result in disciplinary action, including in some cases, termination.

Recommendation 3.3

A listed entity should:

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

The Company has a Whistleblower Policy which is available on the Company's website that incorporates the use of an independent external whistleblowing service.

The Risk and Audit Committee of the Board is informed of any material incidents reported under that Policy.

Recommendation 3.4

A listed entity should:

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

The Company has Anti-Bribery and Corruption requirements embedded in its Code of Conduct, which is available on the Company's website.

The Risk and Audit Committee of the Board will be informed of any material incidents and breaches of the Code of Conduct.

Principle 4: Safeguard the integrity of corporate reports

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

Recommendation 4.1

The board of a listed entity should:

a) have an audit committee which:

- 1) has at least three members, all of whom are Non-executive Directors and a majority of whom are Independent Directors; and*
- 2) is chaired by an Independent Director, who is not the Chair of the Board, and disclose:*
- 3) the charter of the committee;*
- 4) the relevant qualifications and experience of the members of the committee; and*
- 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Risk and Audit Committee is governed by a Board-approved charter which is disclosed on the Company's website.

The principal function of the Risk and Audit Committee is to provide assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and external audit functions.

The Risk and Audit Committee is chaired by Ms Fiona Pearce, an Independent Director who is not the Chair of the Company. The Committee currently has three other permanent non-executive director members, being Mr Jeremy King, Mr Chris Morris and Mr Simon Jones (appointed 1 July 2026).

Refer to Recommendation 2.3 and 2.4 for further details on the independence of directors. The Directors' Report includes the qualifications and experience of the members of the Committee.

The Board considers that these members have the required financial expertise and an appropriate understanding of the markets in which the Group operates. The Managing Director, Chief Financial Officer, and the Company's external auditors are invited to meetings of the Risk and Audit Committee at the Committee's discretion.

Meetings of the Risk and Audit Committee and members' attendance are disclosed in full in the Directors' Report.

The external auditors attend the Company's AGM and are available to answer questions from security holders relevant to the audit.

Recommendation 4.2

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In accordance with Recommendation 4.2 and Section 295A of the Corporations Act 2001 the Board receives a signed declaration from the CFO and Managing Director prior to the approval of the Company's financial statements.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company ensures that corporate reports it releases are reviewed by management and provided to the Board to ensure the financial and technical content is accurate, balanced, and understandable. Where appropriate, information contained in corporate reports is subject to legal review and/or referenced to supporting documents and sources.

Principle 5: Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Corporate Governance (cont.)

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rules.

The Company has established policies and procedures to ensure timely disclosure of all material matters and ensure that investors have access to information on the Company's operating and financial performance.

This ensures the Company is compliant with the information disclosure requirements under the ASX Listing Rules. The policies and procedures include a Continuous Disclosure Policy that includes identification of matters that may have a material impact on the price of the Company's securities, notifying them to the ASX, posting relevant information on the Company's website, and issuing media releases.

Matters involving potential market-sensitive information must first be reported to the Managing Director (or, in the absence of a Managing Director, the Chair) either directly or via the Company Secretary. The Managing Director/Chair will advise the Board if the issue is important enough and, if necessary, seek external advice. In all cases, the appropriate action must be determined and carried out in a timely manner in order for the Company to comply with the Information Disclosure requirements of the ASX.

A copy of the Continuous Disclosure Policy is available on the Company's website and outlines the processes that the Company implements to ensure compliance with its continuous disclosure obligations. The Board receives regular reports on the status of the Company's activities. Continuous disclosure is reviewed as a routine agenda item at Board meetings.

Recommendation 5.2

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

The Board receives copies of all material market announcements promptly after they have been made.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Any new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of the presentation.

Principle 6: Respect the rights of security holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

Recommendation 6.1

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

The Company values its relationship with shareholders and understands the importance of timely communication with them. To keep shareholders informed, the Company releases announcements on its activities via the ASX website.

Comprehensive information regarding the Company's activities, governance, policies and procedures is also available on the Company's website.

Recommendation 6.2

A listed entity should design and implement an investor relations programme to facilitate effective two-way communication with investors.

Smart Parking has an investor relations programme in place with the aim of facilitating effective communication between Smart Parking and its investors. A key feature of the programme is to ensure that shareholders are notified of, or are otherwise able to access information necessary to assess Smart Parking's performance. Information is communicated to shareholders through the following means:

- The Annual Report, which is available on the website and distributed to all shareholders who elect to receive it.
- The AGM and any other shareholder meetings called from time to time as required.
- The Investor Relations section of the Company's website which includes information released to the ASX and press releases.
- By email to those shareholders who have supplied their email address for the purpose of receiving communications from the Company electronically. Smart Parking actively encourages shareholders to provide an email address to facilitate more timely and effective communication.
- Periodic business updates held by conference call or video conference available to all shareholders.
- The Company's investor relations programme includes scheduled interactions and briefings with institutional investors and analysts which incorporates a review of financial results presentations.

Recommendation 6.3

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

The Company acknowledges that respecting shareholders' rights is of fundamental importance and that communication with shareholders is a key element of this. Shareholders are encouraged to attend general meetings for the opportunity to ask questions of the Board and senior management. The Company's Shareholder Communication Policy addresses security holder attendance at Shareholder Meetings.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

The Company has a policy that all resolutions at a meeting of security holders are to be decided by a poll.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company encourages the use of electronic communication and offers Security Holders the option to receive and send electronic communication to the Company and its share registry, where possible.

Principle 7: Recognise and manage risk

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

Recommendation 7.1

The Board of a listed entity should:

- a) *have a committee or committees to oversee risk, each of which:*
 - 1) *has at least three members, a majority of whom are Independent Directors; and*
 - 2) *is chaired by an Independent Director, and disclose:*
 - 3) *the charter of the committee;*
 - 4) *the members of the committee; and*
 - 5) *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Risk and Audit Committee is governed by a Board approved charter which is disclosed on the Company's website. The Company's Risk and Audit Committee is responsible for overseeing, monitoring and periodically reviewing the Company's risk management system. The Company has a Risk Management Policy which can be found on the Company's website. The Company's management is responsible for managing operational risk and for implementing risk mitigation measures within parameters set by the Board. For more information on the Risk and Audit Committee, see Recommendation 4.1.

Recommendation 7.2

The Board of a listed entity should:

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

The Risk and Audit Committee is responsible for reviewing the Company's risk management framework. Risk framework reviews occur annually or more frequently as necessitated by changes in the Company and its operating environment. A formal and detailed risk framework review has taken place during the financial year ended 30 June 2026.

Recommendation 7.3

A listed entity should disclose:

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

Given the Company's size and current stage of development, it does not have an internal audit function.

The Board and the Risk and Audit Committee are responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems. Monitoring procedures include:

- Annual budgeting and monthly reporting to monitor performance.
- Annual report to the Risk and Audit Committee on the internal controls of the Company.
- Annual external audit review and follow up of recommendations, including in relation to internal controls.
- Other external review engagements (such as cyber penetration testing), where appropriate

Corporate Governance (cont.)

- Approved limits for matters requiring Board approval
- Annual review of the insurance programme
- Regular invitation of key operational and sales management to the Risk and Audit Committee to probe key operational and strategic risks
- Bi-annual review and assessment of risks facing the Company and the mitigation processes in place to manage these risks in accordance with the Board's risk appetite.

Recommendation 7.4

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

The Risk and Audit Committee and the Board assists management to determine whether the Company has any material exposure to environmental and social sustainability risks, and, if it does, how it manages or intends to manage those risks.

There are a number of business risks that could materially impact the Company. As part of the risk management process described above, the Company has identified and assessed those areas of risk that may impact the business. Effective monitoring and mitigation of these risks supports the Company's ongoing growth and profitability.

Material business risks are disclosed on page 19 to 23 of the Directors' Report.

Principle 8: Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high-quality directors and design its executive remuneration to attract, retain and motivate high-quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

Recommendation 8.1

The Board of a listed entity should:

a) have a remuneration committee which:

- 1) has at least three members, a majority of whom are Independent Directors; and*
- 2) is chaired by an Independent Director, and disclose:*
- 3) the charter of the committee;*
- 4) the members of the committee; and*
- 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those Meetings; or*

b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has established a separate Remuneration Committee.

The principal function of the Remuneration Committee is to assist the Board in ensuring that the Group's remuneration levels are appropriate and sufficient to attract and retain directors and key executives required to run the Group successfully.

The Remuneration Committee is chaired by Mr Jeremy King. The Committee currently has two other permanent non-executive members being Mr Chris Morris and Ms Fiona Pearse, with Mr Paul Gillespie (Managing Director) attending by invitation, when appropriate. Refer to Recommendation 2.3 and 2.4 for further details on the independence of directors.

The Committee meets at least annually, with additional meetings being convened as required.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Remuneration Report in the Company's Annual Report sets out details of the Company's policies and practices for remunerating directors and executives.

Recommendation 8.3

A listed entity which has an equity-based compensation remuneration scheme should:

- a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- b) disclose that policy or a summary of it.*

The Company has an equity based compensation scheme for senior executives. It has a formal policy restricting the entry into transactions which may limit the economic risk of participating in the scheme and which is disclosed on the Company's website. The scheme involves employees being awarded equity in the Company at nil consideration. The award of such equity is based on individual and Company performance and is subject to milestones and vesting terms.



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