



25 August 2023

The Manager – Listings  
Australian Securities Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

#### **Appendix 4G and Corporate Governance Statement**

COG Financial Services Limited (ASX: COG) attaches the following documents in relation to FY2023:

- Appendix 4G; and
- Corporate Governance Statement.

*Announcement authorised by: Patrick Tuttle, Chair*

For further information please contact:

Andrew Bennett  
Chief Executive Officer  
M 0405 380 241

#### **Who we are:**

COG Financial Services Limited (COG) has two complementary businesses:

1. Finance Broking & Aggregation (“FB&A”). Through its membership group of independent and equity owned brokers (brokers in which COG has invested), COG is Australia’s largest asset finance group, representing over \$7.7 billion per annum of Net Asset Finance (NAF). Further growth is being achieved through organic growth in equipment finance and insurance broking and through equity investment in brokers.
2. Funds Management and Lending (“FM&L”). Through broker distribution, COG provides equipment finance to SMEs, and real property loans via its subsidiary Westlawn Finance Limited.

In both businesses our market share is small relative to the size of the markets we operate in, and there are significant growth opportunities through consolidation and organic growth.

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

COG Financial Services Limited
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ABN/ARBN

58 100 854 788
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Financial year ended:

30 June 2023
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://www.cogfs.com.au/corporate-governance/>

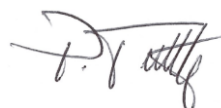
The Corporate Governance Statement is accurate and up to date as at 25 August 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date:

25 Aug 2023

Patrick Tuttle



<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(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.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>The 2023 Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>The 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>The 2023 Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>The 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<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 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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>Due to the size of the Board and the Company, the Board has established a Nomination and Remuneration Committee which carries out the functions and responsibilities of a nomination committee and is governed by the Nomination and Remuneration Committee Charter adopted by the Board. We have disclosed a copy of the charter of the committee at:</p> <p><a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>The Directors Meetings' section of the 2023 Directors' Report which forms part of the 2023 Annual Report which is available at:</p> <p><a href="https://www.cogfs.com.au/annual-report/">https://www.cogfs.com.au/annual-report/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p><a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<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, affiliation 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 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><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <p>The 2023 Corporate Governance Statement</p> <p>and, where applicable, the information referred to in paragraph (b) at:</p> <p>N/A</p> <p>and the length of service of each director at:</p> <p>The 2023 Director's Report which forms part of the 2023 Annual Report which is available at: <a href="https://www.cogfs.com.au/annual-report/">https://www.cogfs.com.au/annual-report/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: The 2023 Corporate Governance Statement; and Our Code of Conduct at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<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</p> <p>(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;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) at: The 2023 Directors' Report and the Directors Meetings' section of the Directors' Report which forms part of the 2023 Annual Report which is available at: <a href="https://www.cogfs.com.au/annual-report/">https://www.cogfs.com.au/annual-report/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
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><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: The 2023 Corporate Governance Statement; and In our Disclosure and Communication Policy at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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:</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 period and the individual attendances of the members at those meetings; or</p> <p>(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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a></p> <p>and the information referred to in paragraphs (4) and (5) at: The Directors Meetings' section of the 2023 Directors' Report which forms part of the 2023 Annual Report which is available at: <a href="https://www.cogfs.com.au/annual-report/">https://www.cogfs.com.au/annual-report/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:</p> <p>The 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</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 governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>The 2023 Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: The 2023 Corporate Governance Statement; and The 2023 Annual Report and, if we do, how we manage or intend to manage those risks at: The 2023 Corporate Governance Statement; and The 2023 Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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> <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 period and the individual attendances of the members at those meetings; or</p> <p>(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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) at: Directors Meetings' section of the 2023 Directors' Report which forms part of the 2023 Annual Report which is available at: <a href="https://www.cogfs.com.au/annual-report/">https://www.cogfs.com.au/annual-report/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<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><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>The 2023 Remuneration Report which is located within the 2023 Directors' Report which is available at: <a href="https://www.cogfs.com.au/annual-report/">https://www.cogfs.com.au/annual-report/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>The Share Trading Policy has been adopted by the Board with formalises this policy. We have disclosed our policy on this issue or a summary of it at: <a href="https://www.cogfs.com.au/corporate-governance/">https://www.cogfs.com.au/corporate-governance/</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



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# Corporate Governance Statement

**COG Financial Services Limited (ACN 100 854 788) (the “Company”)  
and its controlled entities (together, the “Group”)**

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COG Financial Services Limited (**Company**) and its Board are committed to achieving and demonstrating high standards of corporate governance. In this statement, the Company's corporate governance framework for the financial year ended 30 June 2023 has been assessed against the fourth edition of the Australian Securities Exchange Corporate Governance Council's Principles and Recommendations (**Recommendations**). The Company and its controlled entities together are referred to as the Group in this statement. The Board continues to review the Group's corporate governance framework and practices to ensure they meet the interests of shareholders.

A description of the Company's main corporate governance practices is set out below. The information provided in this statement relates to the year ended 30 June 2023 and is current as at 25 August 2023. This statement has been approved by the Board on 25 August 2023. Company policies and charters are available in the Corporate Governance section of the Company's website at <https://cogfs.com.au/corporate-governance/>

## Board Charter

The Board of Directors is responsible for demonstrating leadership and providing overall strategic guidance for the Company and effective oversight of management. Directors are accountable to shareholders for the Company's performance.

The Board has established a charter, which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

In accordance with the Board Charter, the functions and responsibilities of the Board include:

1. defining the Company's purpose and setting its strategic objectives;
2. overseeing the development of the Company's strategy, reviewing and approving strategy plans and performance objectives, monitoring implementation of strategic plans;
3. overseeing senior management performance and implementation of strategy, appointing and removing senior management including the Chief Executive Officer, approving succession plans for key individuals, ensuring that appropriate resources are available to senior management and approving senior management remuneration policies;
4. effective communication with, and reporting to, shareholders;
5. establishing and monitoring policies governing the Company's relationship with other stakeholders;
6. promoting ethical and responsible decision-making and maintaining a code of conduct;
7. monitoring financial performance including approval of the annual and half-year financial reports and overseeing the Company's accounting and financial management systems;
8. approving and monitoring the progress of major capital expenditure, capital management, major acquisitions and divestitures and determining the Company's dividend policy;
9. establishing and overseeing the Company's control and accountability systems, and the system for identifying, assessing, monitoring and managing significant risks facing the Company and its investments; and
10. establishing, overseeing and regularly reviewing systems of internal compliance, risk management, control and legal compliance.





The responsibilities specifically reserved to the Board are set out in a formal Board Charter, which the Board reviews periodically.

### ***Role of the Board and management***

There is a clear division of responsibilities between the Chair and the CEO.

The Chair is responsible for leading the Board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the Company's senior executives.

The CEO is responsible for implementing Group strategies and policies. Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the CEO and senior executives as set out in the Group's delegations policy. These delegations are reviewed periodically. The Board ensures that the CEO is appropriately qualified and experienced to discharge their responsibilities.

The CEO and senior management are responsible for:

1. managing the day-to-day business and implementing the strategic objectives of the Company while operating within the values, code of conduct, budget and risk appetite set by the Board;
2. assigning responsibilities clearly to the employees of the Company, and supervising and reporting on their performance to the Board;
3. recommending to the Board significant operational changes, and major capital expenditure, acquisitions or divestments which are beyond delegated thresholds;
4. providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities; and
5. supporting a culture within the Company that promotes ethical and responsible behaviour.

### ***Board Composition***

The composition of the Board shall be determined in accordance with the following principles and guidelines:

- The Board shall comprise at least 3 Directors;
- The Chair should be an independent non-executive Director;
- The Board should comprise a majority of independent non-executive Directors; and
- Directors should bring characteristics which allow a mix of qualifications, skills and experience.

Under Clause 6.10(f) of the Constitution, in the case of equality of votes of directors, the Chair of the Meeting has a casting vote in addition to his deliberative vote.

The Company recognises the importance of having a Board of appropriate composition, size and diversity.

The Company complied with the recommendation for the full year.

The current Board comprises Patrick Tuttle, Peter Rollason, Cameron McCullagh, Steve White and Mark Crain.

During FY23, the Board comprised 3 independent and 2 non-independent directors, with an independent Chair.

The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

### ***Board Selection, Appointment and Re-election***

The Company has in place an external supplier to undertake appropriate checks on any potential director appointments. Prior to formal appointments to the Board and new elections before security holders, the Board undertakes the appropriate checks as to the character, experience, education, criminal record and bankruptcy history of the proposed candidate.

The Company's Constitution specifies that:

- all directors appointed throughout the year as an additional director or to fill a casual vacancy hold office until the next general meeting;
- at every annual general meeting (**AGM**),  $\frac{1}{3}$  of the Directors or, if their number is not a multiple of 3, then, subject to the Listing Rules, the number nearest to  $\frac{1}{3}$  (rounded up to the nearest whole number), must retire from office and be eligible for re-election;
- all non-executive directors must retire from office no later than the third AGM following their last election; and
- where eligible, a director may stand for re-election. The Board's nomination of existing directors for reappointment is not automatic and is contingent on their past performance, contribution to the Company and the current and future needs of the Board and the Company.

Due to the size of the Board and the Company, no separate nomination committee has been established however the 'Nomination and Remuneration Committee' charter provides that the Remuneration Committee has nomination committee responsibilities and completes this function.

All directors whether appointed throughout the year as an additional director or to fill a casual vacancy or who are due for election under the Listing Rules, are disclosed in the Notice of AGM, with all material information relevant to a decision on whether to elect or re-elect a Director will be provided to security holders in any notice of meeting, pursuant to which the resolution to elect or re-elect such Director will be voted on.

The Board considers the following factors when selecting new directors and when recommending directors to shareholders for appointment or re-election:

- The size and complexity of the Company and the cost of appointing additional directors; with the aim of having a majority of independent directors on the Board;
- In recognition of the importance of independent views and the Board's role in supervising the activities of management, the Chair must be an independent non-executive director;
- The Company is to maintain a mix of directors on the Board from diverse backgrounds with complementary skills, expertise and experience;
- That each individual director has sufficient time to meet his/her commitments as a director of the Company;
- The duration of each existing director's tenure, noting the retirement provisions of the constitution, as set out above, and the Board's wish to have an appropriate balance of directors with experience and knowledge of the Group, and directors with an external or fresh perspective; and
- Whether the size of the Board is conducive to effective discussions and efficient decision-making.

It is the Company's practice to allow its executive directors to accept appointments outside the Company with prior written approval of the Board. The commitments of non-executive directors are considered by the Board/ Nomination and Remuneration Committee prior to the directors' appointment to the Board of the Company and are reviewed each year as part of the annual performance assessment. Prior to appointment or being submitted for re-election, each non-executive director is required to ensure that they have and will continue to have the time available to discharge their responsibilities to the Company.

Details of the directors' skills, experience, expertise, special responsibilities and attendance at Board and committee meetings are set out in the Directors' Report in each year's Annual Report. The Board has developed a Board skills matrix, to simplify the process for identifying any 'gaps' in the Board's skills, expertise and



experience. The Board Skills Matrix is also available on the Company's website and annexed to this Corporate Governance Statement. The Board achieved its assessed skills rating for all criteria as outlined in the Skills Matrix.

The Board selection process involves determining the type of skills, experience and expertise sought to enhance the current Board and preparing a short-list of appropriate candidates. To date, the Company has sought appropriate candidates through referrals and professional intermediaries to identify and assess candidates. The full Board appoints the most suitable candidate, who must stand for election at the next general meeting of the Company.

The Company's program for the induction of new Directors is tailored for each new Director (depending on their personal requirements, background skills, qualifications and experience) and includes the provision of a formal letter of appointment and an induction package containing sufficient information to allow the new Director to gain an understanding of the business of the Company, and the roles, duties and responsibilities of Directors and the Executive team. All Directors are encouraged to undergo continual professional development and, subject to prior approval by the Chair, all Directors may have access to various resources and professional development training to address any skills gaps. The Board is continually informed by Senior Management of key developments in the Company's business and the industry in which the Company operates.

As part of the risk management process of the Company, succession planning is considered and addressed where possible. The Board also considers management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

The Board has a written agreement with each director and senior executive setting out the terms of their appointment.

The Board is responsible for the appointment of the Company's Company Secretary. David Franks of Automic Group has been appointed as Company Secretary to the Board and each Board Committee and attends all meetings of the Board and Committees as required. The Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary.

The Board Charter was last reviewed and updated on 30 June 2021 and a copy of the Charter can be found on the Company's website [here](#).

### ***Directors' independence***

The Board assesses the independence of each director, and has adopted specific principles in relation to directors' independence. These state that to be deemed independent, a director must be a non-executive and:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years, not have been employed in an executive capacity by the Company or any other Group member, or been a director after ceasing to hold any such employment;
- within the last three years have not been a principal of a material professional adviser or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided;
- not be a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- must have no material contractual relationship with the Company or a controlled entity other than as a director of the Group;
- not have been on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and

- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the director's performance.

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

The non-executive Directors met during the 2023 financial year, in scheduled sessions without the presence of management, to discuss the operation of the Board and a range of other matters.

Having regard to the criteria impacting independence as outlined above and in Corporate Governance Recommendation 2.3, the following directors are considered independent: Patrick Tuttle (appointed 3 October 2018), Steve White (appointed on 21 September 2010) and Peter Rollason (appointed on 16 September 2020).

Cameron McCullagh (appointed on 5 October 2015) and Mark Crain (appointed 15 November 2019) are Executive Directors.

Due to his executive nature Mark Crain is not considered independent. Due to his executive nature and substantial shareholding, Cameron McCullagh is not considered independent.

The Company complied with the recommendation for the full year as the Board is made-up of a majority of independent directors and that the Chair is also an independent non-executive director.

The role of the Chair is not carried out by the CEO.

### ***Performance Evaluation Procedures***

The Board undertakes an annual self-assessment of its collective performance and considers the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group. The Board also reviews the performance of the Chair and of Board Committees. Management are invited to contribute to this appraisal process which may be facilitated by an independent third party. To date, this has been actioned internally. The results and any action plans are documented, together with specific performance goals which are agreed for the coming year.

The Chair undertakes an annual assessment of the performance of individual Directors and meets privately with each Director to discuss this assessment.

During the year, performance evaluations for the Board, its Committees and Directors took place in accordance with the above disclosed process.

Senior executives are reviewed through a formal process of evaluation by the Nomination and Remuneration Committee. During the year, the Nomination and Remuneration Committee conducted a formal evaluation of the CEO's performance against a number of key deliverable outcomes. The executives were assessed against strategic, operational, financial, human resource related and risk management measures.

During the reporting period:

- Annual performance evaluations for the Board, Committees and Directors took place in accordance with the process disclosed;

- the Nomination and Remuneration Committee conducted performance appraisals of other key executives' performances against specific and measurable qualitative and quantitative performance criteria and this review was overseen by the Nomination and Remuneration Committee. This evaluation was in accordance with the process disclosed above; and
- The Nomination and Remuneration Committee conducted a performance evaluation of the CEO's performance against specific and measurable qualitative and quantitative performance criteria. This evaluation was in accordance with the process disclosed above.

## Code of Conduct

The Company's values are detailed within the Code of Conduct ("**Code**") and summarised below:

- Integrity and Authenticity - We always act ethically and demonstrate fairness, and trust in our work every day.
- Inclusiveness and Respect - We value diversity and treat others with dignity and courtesy.
- Quality and Responsibility - We are customer-centric and purposefully care about the quality of our service.
- Teamwork - We bring people together and encourage and respect the unique contribution of each and every team member.
- Leadership - We commit to empower others to bring the best out of them and nurture a path of collaboration and innovation.
- Passion and performance - We celebrate our shared success and take pride in our people and their values.

The Group has developed a statement of values and a Code which has been endorsed by the Board and applies to all directors, senior executives and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the high standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code requires that at all times all Group personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Group policies. All alleged material violations of the Code, including the investigation and disposition thereof, will be notified to the Board. New employees are introduced to the Code as part of their induction training.

The Code includes requirements to:

- Act in good faith in pursuing the objectives of the Company;
- Avoid situations which may give rise to a conflict of interest;
- Maintain confidentiality in relation to the affairs of the Company, its customers and its suppliers;
- Comply with the laws and regulations relating to the Company, particularly the prohibition on insider trading;
- Treat each other, suppliers, competitors, clients, customers and other stakeholders fairly and with respect;
- Protect and ensure efficient use of the Company's assets for legitimate business purposes; and
- Report unlawful or unethical behaviour, with those who report violations in good faith to be protected



from harassment or discriminatory treatment. Reports can be made anonymously.

A copy of the Code is available on the Company's website [here](#).

### **Whistleblower Policy**

The Company has adopted a Whistleblower Policy, which is available on the Company's website [here](#).

The Policy notes that the investigation team will be coordinated by a Protected Disclosure Officer and all outcomes of an investigation is to be reported to the CEO. Should matters arise during the investigation of material concern, calling into question the Company's culture, the Board will be notified of the disclosure.

### **Anti-Bribery and Corruption Policy**

The Company has adopted an Anti-Bribery and Corruption Policy, which is available on the Company's website [here](#).

The policy underpins the Company's commitment to integrity and accountability and details the specific requirements and prohibitions applicable to the Company's operations in accordance with relevant laws and legislation. Any violations to the policy, and the subsequent investigations and dispositions thereof, is notified to the Board of the Company.

### **Diversity Policy**

No Company employee or potential employee will be denied equal treatment compared with another employee or potential employee because of gender, age, national origin, race, marital status, sexual preference, pregnancy, potential pregnancy, political conviction, religious beliefs, disability or health status (including HIV or AIDS). In addition, the Company does not require employees to retire because of their age.

The Company is committed to the merit principle, whereby employees are recruited, trained, promoted and remunerated based on the individual's skills, qualifications, experience, abilities and aptitudes. The Company acknowledges the need of its employees to balance career and family obligations and engages flexible work options in accordance with relevant industrial agreements, to enable employees to balance work and family.

The Company does not presently have measurable objectives for the representation of women employees in senior executive positions and on the Board. However, the Board will continue to seek to promote and increase diversity within the organisation as positions of employment and appropriately skilled candidates become available.

A copy of the Diversity Policy is available on the Company's website [here](#).

The proportion of women employees at different levels in the Group is set out below as at 30 June 2023:

Level	2023	2022
Women on the Board	0%	0%
Women in senior management roles*	4%	5%
Women employees in the Group*	45%	47%

\* reported on a full-time equivalent employee basis.





Senior management roles are defined as direct reports to the CEO or CFO.

Further, the Board Charter also prescribes that if the Company is in the S&P / ASX 300 Index at the commencement of a reporting period, the measurable objective for achieving gender diversity in the composition of the Board will be to have not less than 30% of its directors of each gender within a specified period.

### **Audit arrangements**

During the year, the Board had an Audit and Risk Committee to assist in the execution of its duties by overseeing the material aspects of the Company's financial reporting, control and audit functions.

### **Audit and Risk Committee**

The Committee is comprised of Mr Peter Rollason (Chair and independent, non-executive director), Mr Patrick Tuttle (independent non-executive director) and Mr Steve White (independent non-executive director).

The Committee meets the requirements of Recommendation 4.1 in that it consists of a majority of independent directors, is chaired by an independent chair and consists of only non-executive directors. The Chair is not chair of the Board and it has at least three members.

All members of the Audit and Risk Committee are financially literate and have an appropriate understanding of the industry in which the Group operates. Details of the qualifications of committee members and attendance at committee meetings are set out in the Directors' Report in each year's Annual report within the Directors Report.

The Audit and Risk Committee operates in accordance with a charter, which is available on the Company's website [here](#).

The main responsibilities of the committee are to:

- Review the annual report, the half-year financial report and other financial information released to the market by the Company;
- Assess whether external reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- Assess the suitability of the Company's financial accounting policies, practices and procedures;
- Review and assess the effectiveness of the Company's system of internal controls;
- Oversee the effective operation of the risk management framework;
- Recommend policies and procedures to the Board on the selection and appointment of the external auditors and the rotation of external audit engagement partners;
- Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance;
- Consider the independence and competence of the external auditor on an ongoing basis;
- Review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence;
- Review and monitor related party transactions and assess their propriety; and
- Report to the Board on matters relevant to the committee's role and responsibilities.

Under the Charter of the Audit and Risk Committee, the Committee assesses if an internal audit function is required and how the function should be structured and what role it performs. Where there is an internal audit function, it reviews and recommends the appointment or removal of the head of internal audit, the scope and adequacy of the internal audit work plan and the objectivity and performance of the internal audit function.

The Audit and Risk Committee and the Board has determined not to have an internal audit function due to the size of the Company.



The Company's external auditors undertook a half year review and full year audit as required under the Corporations Act 2001. The Audit and Risk Committee have regular meetings and contact with the external auditors during the year and for the review and audits.

The Board has also received a written assurance from the CEO and CFO that the declaration provided under section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks, as required by Recommendation 4.2, for all financial reports that are released to the ASX.

### **External auditors**

The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. The Company requires the periodic rotation of the audit partner in accordance with the Corporations Act 2001.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report in each year's Annual Report. The external auditors provide an annual declaration of their independence to the Audit and Risk Committee.

A representative of the external auditor attends, or is online by phone, each Annual General Meeting to answer any questions concerning the audit of the Group and the contents of the Auditor's Report.

The Audit and Risk committee ensures that any periodic corporate reports that the Company releases to the market, that has not been subject to audit or review by an external auditor, have undertaken a process to verify the integrity of its content, with such reports being prepared by management, reviewed by the CEO and CFO and authorised by the Chair of the Board and/or Chair of the Audit and Risk Committee.

### **Market disclosure**

The Company has a Disclosure and Communication Policy and a Disclosure and Materiality Guidelines. The Disclosure and Communication Policy promotes timely and balanced disclosure of material matters concerning the Company, to comply with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules. The Disclosure and Communication Policy and the Disclosure and Materiality Guidelines are available on the Company's website [here](#).

Pursuant to the Company's Disclosure and Communication Policy, ahead of any new and substantive investor or analyst presentations, a copy of the presentation materials must be released to ASX (even if the information in the presentation would not otherwise warrant a market disclosure). Company officers and senior managers are responsible for monitoring all information regarding the Company's day to day activities and if a potential disclosure obligation arises, to report it to the CEO and CFO who will make an assessment regarding disclosure. The CEO and CFO will determine whether disclosure to the ASX is required, discussing and taking advice from the Company Secretary if necessary. Further, the Company Secretary is required by the policy to ensure that the Directors of the Board receive copies of all material market announcements promptly after which they have been made to the ASX.

### **Shareholder communications**

The Company discloses information about itself, its Corporate Governance Statement and all its Corporate Governance Policies on the Company's website.

The Disclosure and Communication Policy outlines the procedures in place to promote and facilitate effective two-way communication with investors. The Company seeks to ensure that shareholders are well informed of the Company's activities. The Company communicates with shareholders through annual and half yearly reports, ASX releases, general meetings and the Company's website.





The Company holds an AGM each year and incorporates a period of time to participation of security holders during and following the meeting. At the meetings of security holders, all substantive resolutions are decided by a poll rather than a show of hands. The Board encourages shareholder participation at general meetings. Shareholders who are unable to attend general meetings are encouraged to lodge proxy appointments in advance of the meeting.

Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website and may electronically lodge proxy instructions for items to be considered at general meetings.

The Disclosure and Communication Policy is available on the Company's website [here](#).

### **Business risks**

The Audit and Risk Committee operates in accordance with a charter, which is available on the Company's website [here](#)

The Audit and Risk Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the Company's policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

The Committee assists the Board by identifying material business risks and implementing procedures to manage those risks. The Committee has formalised its processes for documenting the Group's risk profile in a risk management matrix, which is reviewed by the Board on a regular basis. The risk management matrix identifies areas of risk for the Group and records any remedial action taken in the management of those risks.

Senior executives from each business unit, such as Finance, Business Development and Operations are responsible for monitoring, mitigating and reporting on material risks within that business unit. Senior executives report to the Audit and Risk Committee on a periodic basis as to whether all identified material risks are being managed effectively across the Company. The CEO reports to the Board on a periodic basis as to whether all identified material risks are being managed effectively across the Company. The Committee receives such reports from the CEO on an ongoing basis.

The Company monitors whether it has any material exposure to economic, environmental and social sustainability risks through its Audit and Risk Committee. The Company does not have any material exposure to environmental or social risks other than the risks disclosed as key business risks of the Company in the Annual Report, or otherwise notified to the ASX. The Company also has in place a Health and Safety Policy and Environmental Policy. A copy of the Health and Safety Policy and Environmental Policy is available on the Company's website [here](#)

During the year, ongoing monitoring, mitigating and reporting on material risks by senior executives, the Audit and Risk Committee and the Board took place in accordance with the processes disclosed.

### **Internal control framework**

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

Detailed control processes cover management accounting, financial reporting, project appraisal, environment, health and safety, IT security, compliance, and other risk management issues.

In addition, the Board requires that each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.



The CEO and CFO have reported and declared in writing to the Board that the Group's management of its material business risks is effective.

### **Nomination and Remuneration Committee**

The Committee is comprised of Mr Patrick Tuttle (Chair and independent, non-executive Director), Mr Peter Rollason (independent non-executive Director) and Mr Steve White (independent non-executive Director).

The Committee meets the requirements of Recommendation 8.1 in that it consists of a majority of independent directors and is chaired by an independent chair. It also has at least three members.

The Nomination and Remuneration Committee provides the Board with advice on remuneration, recruitment, retention, termination and incentive policies and practices generally. It makes specific recommendations on remuneration packages for executive directors, other senior executives and non-executive directors, and considers superannuation arrangements for employees. The CEO is not permitted to have direct involvement in the determination of his/her remuneration. The committee charter is available on the Company's website.

The structure of the non-executive Directors' remuneration is clearly distinguished from the structure of executive director and senior management remuneration, in that non-executive Directors' remuneration is not linked to the performance of the Group. The non-executive Directors do not receive retirement benefits, other than statutory superannuation contributions. Any increase in the maximum total remuneration of the non-executive Directors of the Company, which was set at \$400,000 per annum from 16 November 2018, would be subject to the approval of shareholders.

Further information on directors' and executives' remuneration is set out in the Directors' report under the heading Remuneration Report in the Directors' Report in each year's Annual Report.

A copy of the Nomination and Remuneration Committee Charter can be found on the Company's website [here](#).

Any employees participating in equity-based remuneration schemes are prohibited from entering into transactions in products which would limit the economic risk of holding unvested entitlements under those schemes. To date there has not been any equity-based remuneration schemes however this policy was formalised in writing in the Share Trading Policy.

A copy of the Share Trading Policy can be found on the Company's website [here](#)

ASX CGC's Best Practice Recommendations		
Principle 1	Lay Solid Foundations for Management and Oversight	
1.1	<p>Companies should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its Board and management; and</p> <p>(b) those matters expressly reserved to the Board and those delegated to management</p>	Comply
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward 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>	Comply
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>	Comply
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>	Comply
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> <li>1) the measurable objectives set for that period to achieve gender diversity;</li> <li>2) the entity's progress towards achieving those objectives; and</li> <li>3) either:               <ol style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the</li> </ol> </li> </ol>	Partially Complies – does not have measurable diversity objectives

	<p>entity has defined “senior executive” for these purposes); or (B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of the Board, its Committees and individual Directors; and</p> <p>(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.</p>	Comply
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation has been undertaken in the reporting period in accordance with that process during or in respect of that period.</p>	Comply

Principle 2	Structure the Board to be effective and add Value	
2.1	<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 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 its employees 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>	Comply
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>	Comply
2.3	<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 the governance principles 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>	Comply
2.4	<p>A majority of the Board of a listed entity should be independent directors.</p>	Comply

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

Principle 3	Instil a Culture of acting lawfully, ethically and responsibly	
3.1	A listed entity should articulate and disclose its values	Comply
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code	Comply
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Comply
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	Comply

Principle 4	Safeguard the Integrity of Corporate Reports	
4.1	<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</p> <p>(2) is chaired by an independent director who is not the chair of the Board; and disclose</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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>	Comply
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>	Comply
4.3	<p>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.</p>	Comply

<b>Principle 5</b>	<b>Make Timely and Balanced Disclosure</b>	
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Comply
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Comply
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.	Comply

<b>Principle 6</b>	<b>Respect the Rights of Security Holders</b>	
6.1	A listed entity should provide information about itself and its governance to investors via its website	Comply
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Comply
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Comply
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.	Comply
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security register electronically.	Comply



Principle 7	Recognise and Manage Risk	
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</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 period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a), disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	Comply
7.2	<p>The Board or 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 that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review have taken place.</p>	Comply
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 governance, risk management and internal control processes.</p>	Comply
7.4	<p>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.</p>	Comply

Principle 8	Remunerate Fairly and Responsibility	
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> <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 period and the individual attendances of the members at those meetings; or</p> <p>(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>	Comply
8.2	<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>	Comply
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	Comply

### Policy history

Last review: As required per Policy

Review frequency: As required per Policy