Health and Plant Protein Group Limited
ABN 68 010 978 800

Corporate Governance Statement

30 June 2025

INTRODUCTION

The Board of Directors of Health and Plant Protein Group Limited (**HPP**) believes that sound and ethical corporate governance practices are essential to both conformance and performance, and send a positive signal to our workforce, our suppliers, customers, and our shareholders about our culture.

We also believe that responsiveness to the interests of other stakeholders and the undertaking of responsible and sustainable practices, including the safety and welfare of our employees and the protection of the environment in which we work, will help build a long-term future for the Group.

This statement is current as at 30 June 2025 and approved by the Board to provide information to shareholders and other stakeholders of the governance arrangements in the company in accordance with ASX Listing Rule 4.10.

Unless otherwise stated, the policies, practices and structures referred to in this Statement, have been in place for the whole of the reporting period. The company applies these arrangements to its operations both in Australia and internationally.

It is based on the requirements of the Corporations Law, the Listing Rules of the ASX, the recommendations of the ASX Corporate Governance Council, and other Australian and international guidelines. It is structured with reference to the Corporate Governance Council's principles and recommendations which are as follows:

Principle 1

- Lay solid foundations for management and oversight.

Principle 2

- Structure the Board to be effective and add value.

Principle 3

- Instil a culture of acting lawfully, ethically, and responsibly.

Principle 4

- Safeguard integrity of corporate reports.

Principle 5

- Make timely and balanced disclosure.

Principle 6

- Respect the rights of security holders.

Principle 7

- Recognise and manage risk.

Principle 8

- Remunerate fairly and responsibly.

The directors have unanimously adopted these corporate governance principles. However this does not imply that the directors endorse all the recommended guidelines as being appropriate to the particular circumstances of the company. The directors are firmly of the opinion that these represent a transparent and comprehensive regime that provides a high level of assurance to all stakeholders.

NON-COMPLIANCE WITH BEST PRACTICE RECOMMENDATIONS OF ASX CORPORATE GOVERNANCE COUNCIL

Where practical, the Group has complied with the 4th edition Principles and Recommendations published by the ASX Corporate Governance Council. However, there are some instances whereby due to the composition of the Board, it is not considered economical or practical to implement some Principles and Recommendations. The Principles and Recommendations that have not been complied with are disclosed below.

DISCLOSURE

This governance statement should be read in conjunction with the disclosures included in the Directors' Report, which forms part of the Group's Annual Report. This Statement is available on the Group's website at https://www.hppgroup.com/investor-centre/corporate-governance/.

MANAGEMENT AND BOARD OVERSIGHT (Principle 1)

Role of the Board

The company has adopted a Board Charter which sets out the roles and responsibilities of the Board and management. The charter also expressly sets out the matters reserved to the Board and those delegated to management.

The Board has the ultimate responsibility to shareholders for the profitable and proper conduct of the company's operations. In fulfilling its functions, the Board has formally delegated specific authorities to management. These delegations are reviewed periodically. The specific responsibilities of the Board include:

- approval of a strategic plan designed to meet stakeholders' needs and manage economic, environment and social sustainability and safety risks. Each year the Board considers, and if appropriate, approves annual budgets, proposed capital expenditure and operating plans and strategies against which technical and financial performance is regularly reported;
- involvement in developing and approving initiatives and strategies designed to maintain the currency of the strategic plan and ensure the continued growth and success of the entity;

- continual review of the operational and financial performance of the consolidated entity and each operational unit against key performance indicators (both financial and non-financial);
- establishment of management committees to report on occupational health and safety and environment. The Board receives and considers reports on the group's performance in the areas of work health and safety, food safety and environmental control;
- review and approval of acquisitions and disposals of businesses and assets, and the approval of financing arrangements within defined limits; and
- monitoring of the entity's liquidity, credit policies and exposures, and management's actions to ensure they are in line with company policy.

Where a conflict of interest arises, directors are to withdraw from discussion and deliberation. Participation in a Board meeting in such situations is only with the consent of other directors.

Role of the Chair

The Chair of the Board has the responsibility for the conduct of the general meetings of the company, and the meetings of the directors of the company.

The Chair also has the role of interfacing with the CEO (as applicable), and the conduct of the CEO's performance appraisal, where practicable and appropriate given the role of the Chair at the time. Where the role of Chair and CEO are combined (in the form of the Executive Chair/CEO), then the Executive Chair will assume the role of interfacing with the Board and the company management.

The Chair acts as an interface with relevant external stakeholders (such as shareholders, government / funding bodies, local organisations and media when necessary).

The Chair does not have a casting vote at any general meeting, however does have a casting vote at a meeting of the Board if there is an equality of votes on any question or resolution except at a meeting of the Board where there are only two directors.

Directors

Directors are elected by the shareholders for a term of three years or appointed by the Board to fill a casual vacancy until the next Annual General Meeting of the company.

The company undertakes appropriate checks before appointing a director or senior executive or putting someone forward for election as a director. The company also provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

On election, directors receive a comprehensive letter of appointment from the Chair outlining their rights and responsibilities, remuneration and benefits, expectations of commitment, and access to professional advice, documents and insurance.

A Deed of Indemnity, Insurance and Access is entered into between the company and its subsidiaries, and each director. The deed provides that the company indemnify all directors in accordance with the provisions of the Corporations Act 2001, and with access to the company books and records for a period of 7 years after they cease to be a director of the company. During the financial year, no payment was made by the company under the indemnities.

Directors of the company hold the majority of directorships in all subsidiary companies.

The company has an induction and on-Boarding program for new directors. This program is co-ordinated by the Company Secretary and is designed to build the director's understanding of the company's business, operations and key policies, processes, systems and controls, and to provide an understanding of the Company's strategy and risk management framework.

The company also provides on-going opportunities for all Directors to deepen their understanding of the business, through management briefings and education sessions (where required).

Delegation to Management

The Board is responsible for the direction of the Group and the oversight of management. The Board delegates the responsibility for day-to-day management of the Group to the Executive Chair/CEO, who operates under strict limits on operational and capital expenditure and the ability to commit the Group to financial obligations. The CEO in turn delegates these limits to the management team subject to the approval of the Board.

The Executive Chair/CEO is appointed by the Board. The Executive Chair/CEO is accountable for delivery of strategic outcomes and reports to the whole Board on the delivery or non-delivery of those outcomes. The Executive Chair/CEO also assumes responsibility as the principal spokesperson for the company on operational matters.

The Company Secretary is appointed as the secretary to the Board as a whole. The Company Secretary relates one-to-one with the Chair who represents the views of the Board. The Company Secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.

Senior managers are appointed to specific positions within the company with the approval of the Board. The Executive Chair/CEO and senior managers all receive letters of appointment and have formal position descriptions.

The Executive Chair/Chief Executive Officer and Chief Financial Officer/Company Secretary enter into a Deed of Indemnity, Insurance and Access with the company and its subsidiaries on identical terms to the Directors' Deed, as officers of the Company under the Corporations Act 2001.

During the financial year, no payment was made by the company under the indemnities.

Diversity

HPP considers a gender-balanced diverse and inclusive workforce, where employee differences in areas of gender, age, culture, disability and lifestyle choice are valued, and in which everyone has the opportunity to fully participate and is valued for their individual inputs, a strategic asset for its business.

The Group's Diversity Policy encapsulates and complements the principles incorporated in its many human resource management policies, including the Equal Opportunity and Discrimination Policy, and Workplace Harassment and Bullying policy.

Valuing and managing diversity means that the Group:

- Facilitates equal employment opportunities based on relative ability, performance or potential;
- Builds and maintains a safe work environment by taking action against inappropriate workplace and business behaviour;
- Develops flexible work practices to meet the differing needs of our employees at different stages of their life cycle;
- Attracts and retains a skilled and diverse workforce;
- Enhances customer service and market reputation through a workforce that respects and reflects the diversity of our customers and partners;
- Improves productivity and teamwork;
- Meets the relevant requirements of legislation and human resource policies; and
- Creates an inclusive workplace culture.

Gender Balance

During the reporting period, HPP's Board comprised two non-executive Directors and one executive Director. As part of the succession planning process, skill gaps are regularly assessed to determine if additional experience is required at Board level.

Directors are elected by shareholders for a term of three years or appointed by the Board to fill a casual vacancy until the next Annual General Meeting of the company. Directors have the opportunity to retire at the end of their three year term or offer themselves for re-election.

Gender Diversity Targets

The company aims to have female representation of at least 20% of women on the Board, in senior executive positions and in the Company's workforce generally. Senior executives means those listed as an executive in the Annual Report. During the reporting period, the company met these targets.

Irrespective, Board appointments are based on merit and a matching of skills required at Board level to those of applicants.

Progression and Development Practices

HPP aims to achieve gender balance in its training and development programs where appropriate. These programs are aimed at ensuring every individual has access to learning to assist in the performance of their roles and to provide growth potential within the group when succession opportunities arise.

Flexible Arrangements and Parental Leave

HPP offers flexible work arrangements and support in special circumstances to help balance life priorities with work and to manage careers. These include flexible start and finish times, part-time work arrangements, working from home, job sharing, telecommuting, transitional arrangements for new parents returning to work after parental leave, and unpaid leave as required.

Further details of the Group's Diversity Policy can be accessed at www.hppgroup.com.

BOARD STRUCTURE (Principle 2)

Directors

During the reporting period, the Board comprised two non-executive Directors and one executive Director. Details of those directors serving at year-end are outlined in the Directors' Report. The maximum number of directors permitted by the Constitution is ten directors.

Retirement and Re-election of Directors

The Constitution requires that an election of directors must occur in each year and that, at any rate, directors cannot retain office for longer than 3 years or until the third AGM following their re-election, without submitting themselves for re-election.

Director Independence

ASX Principles and Recommendations 2.4 states "A majority of the Board of a listed entity should be independent directors". In considering director independence, the Board considers an independent director as someone who is a non-executive director, not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of their judgment.

The Company did not satisfy this requirement during the year. Only one director, Mr Hugh Robertson (appointed 19 July 2022), was considered independent during the reporting period, for the reasons set out below.

The Board considers that the Board structure and composition is a cost effective and practical method of directing and managing the company in view of the size of the company and the nature of its activities.

Mr Albert Tse was appointed Executive Chair on 19 July 2022. Mr Tse is considered not to be an independent Director as he is involved in the management of the company in an executive capacity.

Ms Qi (Christina) Chen was appointed as a director on 28 July 2017. Ms Chen is considered not to be an independent non-executive director as she is an appointed representative of a substantial shareholder.

The Board is diligent in ensuring that a conflict of interest does not interfere with Directors' obligations towards the company.

In structuring the Board to add value, the directors ensure the Board comprises directors with sufficient diversity and industry knowledge. A summary of the Board skills and experience can be found in the corporate governance section of the company's website and the Annual Report.

Chair

The Board may elect one of the Directors to be chair and may elect another to be deputy chair and determine the period for which each of those Directors is to hold that office.

Nomination Committee

The function of a Nomination Committee is performed by the whole of the Board. The Board reviews the company's succession plan and assesses the necessary and desirable competencies of directors. External advice is sought in sourcing new directors.

The composition of the Board is regularly reviewed to ensure that it continues to have the mix of skills and experience necessary for the conduct of the company's activities. Whether filling a vacancy or expanding the Board, the procedures applied include the selection of a panel of nominees. In compiling the panel of nominees, the Board draws on advice from external consultants and internal industry experience. Potential directors are approached and their interest in joining the Board, together with the responsibilities such an appointment entail, are discussed. Terms and conditions of the appointment, including the level of remuneration, are also communicated to the nominee.

The Board may appoint new director(s) during the year, and that person(s) will then stand for election by shareholders at the next Annual General Meeting.

When appointed to the Board, all new directors are briefed by the chair and senior management and receive a package of documentation to assist them in familiarising themselves with matters relating to our business, our strategy and current issues this forms part of the induction program described above.

ETHICAL AND RESPONSIBLE DECISION MAKING (Principle 3)

Company Values

The values of the company are set out in its Code of Conduct.

Corporate Code of Conduct

The company has developed a Code of Conduct to ensure the entity acts in a lawful, highly principled and socially responsible manner in all of its business practices. Under this Code of Conduct, directors, executives and staff are expected to:

- have an overriding responsibility to all stakeholders of the business and not to any sectional or personal interests;
- display the highest standards of personal behaviour at all times;
- use every opportunity to promote the interests of the group in the community at large;
- act honestly and with the utmost integrity, and comply with the letter and spirit of any laws, rules and policies of the company and this Code of Conduct;
- receive no benefit from their position other than approved arms-length negotiated commercial arrangements, remuneration and conditions of employment, and to use the assets of the company economically and efficiently for business purposes only;
- respect all people with whom they come into contact in their work;
- bring to their work all the skills and experience they possess and diligently apply themselves to their duties;
- participate freely in all discussions and will always be allowed to express their opinions;
- conduct business in the strictest confidence, and avoid any discussion of the information received in their duties unless it is approved for distribution;
- consider all decisions of the Board to be binding, without public dissent from such decisions;
- maintain good relations within the group;
- consistently and effectively comply with all established policies and procedures;
- act within delegated authorities; and
- uphold the concept of a competitive economic environment, abstaining from price fixing, misleading or false representations regarding our products or those of our competitors.

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

Whistleblower Policy

The company has implemented a Whistleblower Policy. Under the Whistleblower Policy, employees must:

- be aware of the requirements of this policy;
- promptly report information about disclosable matters;
- not be personally be involved in any conduct that constitutes a disclosable matter;
- cooperate fully with any investigation under this policy; and
- maintain the confidentiality of any investigation under this policy.

In addition, managers must:

- ensure that eligible whistleblowers who raise concerns about disclosable matters are referred to the eligible recipient;
- maintain the confidentiality of individuals making whistleblowing disclosures;
- ensure that any person who has made, or is suspected of having made, a whistleblowing disclosure is not subjected to any detriment, including detriment originating from other employees; and
- promote an environment where prompt and accurate reporting of disclosable matters is encouraged.

Any material incidents reported under the Whistleblower Policy are also reported to the Board. A copy of the policy can be found at https://www.hppgroup.com/investor-centre/corporate-governance/

Anti-Bribery and Corruption Policy

The Board has adopted an Anti-Bribery and Corruption Policy during the reporting period. A copy of the policy will be made available at: https://www.hppgroup.com/investor-centre/corporate-governance/. Any material breaches of this policy are reported to the Board.

Securities Trading Policy

The company has established the Securities Trading policy to control the trading in the company's securities by directors and senior executives. This policy is included in the company's Corporate Governance policy manual which is issued to employees on their engagement. A signed acknowledgement is obtained from each employee that they have read and understood all policies.

Insider Trading

Employees of HPP are subject to restrictions under the Corporations Law relating to dealings in securities.

As required by law and in line with its Securities Trading Policy, buying or selling HPP's securities is not permitted at any time by any person who possesses price-sensitive information not available to the market in relation to those securities. Closed periods in which employees are prohibited from trading in the company's securities are the periods immediately preceding the release of the company's quarterly, half year and full year financial results announcements.

At all other times employees require the prior written consent of the Chair or Company Secretary to buy or sell HPP's securities. Exceptional circumstances whereby the entity's employees are permitted to trade during a prohibited period include:

- off-market transactions within an employee's various security holding accounts through which no change in beneficial interest occurs;
- transactions through an employee's estate after death when the restricted person has no control or influence with respect to the trading decision;
- trading through a fund or other scheme where the assets of the fund or scheme are invested at the discretion of a third party;
- undertakings to accept, or the acceptance of, a takeover offer;
- trading under an offer or invitation made to all or most of the security holders, such as a Rights Issue, a Share Purchase Plan, a Dividend Reinvestment Plan, a Dividend Share Issue Plan and an Equal Access Buy-Back where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- a disposal of securities that is the result of a secured lender exercising their rights, subject to the employee having previously obtained written approval to enter into an agreement with the lender through which the employee provides the lender with rights over their interest in the company's securities; and
- where written approval has been given to the employee to sell or otherwise dispose of the company's securities during a prohibited period where the employee is in severe financial hardship or there are other exceptional circumstances such as pressing financial commitments that cannot be satisfied otherwise than selling the relevant securities of the company. In such cases, the Chair or the CEO is designated to determine what constitutes an exceptional circumstance and whether written approval is to be granted to permit trading in the company's securities during a prohibited period.

Where written approval has been provided to employees to trade during prohibited periods, the period is specified in each individual case. Written approvals may be provided in either email or paper format.

In order to prevent the unfair use of information, employees are generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six-month period.

Disclosure of Directors' Security Transactions

Directors must enter into agreements with the company regarding disclosure of directors' securities transactions. Under these agreements, directors are obliged to provide the necessary information to the company, to allow the company to comply with the ASX Listing Rule requiring disclosure of details of directors' interests in securities.

Details of an initial investment and on-going transactions are to include the transaction date, the number and class of securities held before and after the change, the nature of the change, and consideration payable in connection with the change, or if a market consideration is not payable, the value of the securities the subject of the change.

Details of changes in securities not registered in the director's name but in which the director has a relevant interest within the meaning of section 9 of the Corporations Act, must also be provided.

Directors are to provide the required information within three business days after the date of the change.

Directors also agree to provide appropriate information on securities held at the date of ceasing to be a director.

Directors have advised that no securities controlled by them are the subject of margin loans.

Stakeholders Interests

The company recognises that there are many stakeholders in the business in addition to the shareholders. The company endeavours to relate openly, fairly and equitably with all shareholders in terms of their relationship with the company.

Among the stakeholders are staff, customers, suppliers, communities in the countries where we operate, and local, state and national governments.

Stakeholder interests are protected and recognised through the company's policies and procedures and the adoption of a Code of Conduct. The policies cover matters such as accounting and reporting, employment conditions, employee safety and welfare, customer privacy, and legal compliance.

INTEGRITY OF CORPORATE REPORTING (Principle 4)

Audit, Safety & Compliance Committee

The function of the Audit, Safety & Compliance Committee is performed by the Board. The Board performs this role to:

- give additional assurance regarding compliance with directors' statutory responsibilities, the quality and reliability of financial information used by the Board and financial statements issued by the company;
- oversee the economic entity's risk management framework including strategies, policies and processes that have the potential to impact significantly on the company's performance, sustainability and safety;
- monitor performance and advise on selection and retention of external auditors.

The primary responsibilities of the Board when performing its role as Audit, Safety & Compliance Committee are to:

- oversee and appraise the quality of audits conducted by external auditor;
- perform an independent review of financial information prepared by management for external parties;
- assess the adequacy and effectiveness of the internal controls to ensure the integrity of the company's accounting records and to safeguard its assets;
- monitor compliance with Australian Accounting Standards, Taxation and Corporations Law, Australian Stock Exchange Listings Rules, and Australian Investment and Securities Commission regulations;
- ensure compliance to accepted standards of ethical conduct, and applicable laws and regulations (e.g. Industrial Relations, Industry Codes, Trade Practices, Consumer Protection, Work Health & Safety and Environmental Regulations); and
- monitor corporate risk assessment and internal controls.

Executive Chair/CEO and CFO Certification

In accordance with section 295A of the Corporations Act, the Executive Chair/CEO and the CFO have provided a written statement to the Board that:

- the financial records 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 company and Group;
- their view provided of the Group's financial report is founded on a sound system of risk management and internal compliance and control which implements financial policies adopted by the Board; and
- the Group's risk management and internal compliance and control systems operate effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the Executive Chair/CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In addition to the above certification, the Executive Chair/CEO and CFO, provide the Board with a comprehensive letter of

representation prior to the acceptance of the annual accounts by the Board. This letter not only certifies the correctness and integrity of the financial and risk management systems, but also covers compliance with legal and regulatory requirements in relation to trade practices, employment, workplace health and safety, quality assurance and environmental factors.

As part of the process of certifying the annual accounts, the directors and management provide a letter of representation to the external auditors, in similar terms to the letter provided by management to the directors.

Periodic corporate reports

The company's goal is that periodic corporate reports will be accurate, balanced and provide investors with appropriate information to make informed investment decisions. The company has adopted a Continuous Disclosure Policy that applies to all disclosures to the market.

Management has developed practices and guidance material that is intended to ensure that periodic corporate reports provide clear, concise and effective disclosure. The company's process for verifying unaudited periodic reports is as follows:

- reports are prepared by, or under the supervision of, subject matter experts;
- material statements in the reports are reviewed for accuracy and material requirements; and
- material or price sensitive periodic corporate reports must be reviewed and approved by the Board before release to the market.

TIMELY AND BALANCED DISCLOSURE (Principle 5)

Policies and procedures to comply with continuous disclosure and other statutory requirements have been developed by the company. Under its Continuous Disclosure Policy, HPP is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data, periodic financial reports (Appendix 4 – end of year and half-year) and addresses by the Executive Chair/CEO to shareholder meetings are released to the stock exchange via ASX On-Line prior to release to the market via press release and posting on HPP's internet site.

Similarly, annual reports and notices of meetings, dividend re-investment and share plan documentation are released through ASX On-Line prior to being distributed to shareholders via the website or through the mail.

Detailed commentary on financial results is included in the Annual Report, and in the Chair's Address at the Annual General Meeting. This address is circulated to shareholders with any annual dividend payment.

Further commentary on half-yearly results is included in the press release announcing those results and circulated to shareholders with any interim dividend payment.

As part of its Continuous Disclosure Policy the company has processes in place to provide balanced response to market rumours or speculation of which it is made aware.

Under its Continuous Disclosure Policy, all company announcements are to be approved for release to the market by the Board prior to distribution through the ASX company announcement platform. This includes periodic financial data, media releases, statements in relation to strategic initiatives and as required to ensure a fully informed market. The Board also receives a copy of all material market announcements promptly after they have been made.

Additionally, its Investor Communication Policy provides that all corporate presentations are released to the stock exchange via ASX On-Line prior to release to the market via press release and posting of HPP's website. Any presentation given at general meetings, must be released through the ASX prior to the commencement of the meeting. Further, the company releases a copy of the presentation materials from all new and substantive investor or analyst presentations on the ASX Market Announcements Platform ahead of the presentation.

RESPECT FOR SECURITY HOLDERS (Principle 6)

Effective Communication

HPP is committed to providing shareholders with comprehensive information about the company and its activities, and to fulfilling its obligations to the broader market for continuous disclosure.

Shareholders are now able to receive their shareholder information electronically in preference to mail. Notification via email of company announcements, annual and half year reports and other company information is available by registering for this service through the company's website. Shareholders can also send communications to the company or its share registry electronically via the Company's website.

Access to Information

The company publishes a comprehensive Annual Report incorporating financial and other information. This is sent to all shareholders on request and is available to the public, as well as being posted on the company's website.

A Half-Yearly Report incorporating abbreviated financial data and market commentary is also made available on the same basis.

The company maintains a comprehensive web site www.hppgroup.com that contains extensive shareholder and stakeholder information. The past three years' Annual and Half-Yearly Reports and a corporate governance section are contained within the website.

The company's offices maintain supplies of shareholder information for public access. The Company Secretary is responsible for the distribution of material and responding to requests for information from shareholders and the public.

Under the company's Investor Communication Policy, the Board, and in particular the Executive Chair, bear particular responsibility for communication with shareholders and members. This occurs formally through the Annual Report and the Annual General Meeting. At other times, senior management and the Executive Chair liaise between the Board and key shareholders and analysts.

General Meeting

The company generally conducts its General Meetings including its Annual General Meeting either virtually or at a location specified by the company. Notice of the meeting is sent to every shareholder and advertised publicly.

The company's auditor attends the Annual General Meeting and is invited to answer relevant questions and make statements to the meeting. The public and the media are welcome to attend General Meetings as observers.

The company is committed to facilitating and encouraging participation at meetings of security holdings. For example, the directors and senior management attend all General Meetings and are available to shareholders and other stakeholders. Additionally, the Chair accepts written questions and pre-submitted questions at a General Meeting and responds appropriately to all questions.

Substantive resolutions at General Meetings are decided by a poll rather than a show of hands.

RISK MANAGEMENT (Principle 7)

The Board undertakes the functions of a risk committee for the company. The company is exposed to environmental risks (or climate change risks) and other social risks to the extent detailed in the company's Annual Report.

The company has an Enterprise Risk Framework designed to establish consistent standards for how risks are identified, evaluated and managed across the group. Reporting and Assurance is managed through a Governance, Risk and Compliance System which allocates responsibility for risks and controls and allows the Board and management to have visibility of risk management across the company.

Policies and Procedures

The company has documented policies and procedures for all principal areas of its operations and the key risks within each of the principal areas are understood and have appropriate controls in place. Policies are approved by the Board and procedures developed by management to give effect to the policies and manage key risks across the group.

Review

Risks are reviewed on an ongoing basis based upon their ratings. Extreme and High levels risks are overseen by the Board, while management are responsible for all levels of risk across the company. The company's policies are reviewed periodically by the Board. The Board also reviews the Enterprise Risk Framework annually to ensure that it is sound and that company is operating with due regard to the risk appetite set by the Board. The review of the Enterprise Risk Framework was undertaken in the reporting period.

Internal Audit

Given the company's current size and the nature of its operations, the company does not maintain a separate internal audit function having established a control self-assessment approach through the Governance, Risk and Compliance system and supported by a series of independent checking processes that are approved and supervised by the Board. The Board periodically reviews whether there is a need for a separate internal audit function.

Insurance

The company maintains a program of insurance where insurable risks are identified. The level of self-insurance and exposure to deductibles in insurance policies is not material.

During the financial year, the company paid premiums in respect of a directors' and officers' liability insurance policy. The policy insures each person who is or has been a director or executive officer against certain liabilities arising in the course of their duties to the company and its controlled entities. The insurance policy prohibits disclosure of the nature of the liabilities or the amount of the premium.

REMUNERATE FAIRLY AND RESPONSIBLY (Principle 8)

A structured process has been established to review and evaluate the performance of the Board and to identify areas where improvement can be made. The review process includes assessment of Board composition, governance relations and internal processes to ensure continuing corporate governance improvement. The performance and contribution of non-executive directors is to be assessed against pre-determined criteria. A review of the Board and individual directors has been undertaken in accordance with this process during the reporting period.

Senior executive performance review is conducted annually, and as a preliminary to annual remuneration review. The Executive Chair/CEO conducts senior executive performance reviews and reports on these to the Board. A performance review of the senior executives has been undertaken in accordance with this process during the reporting period.

The Executive Chair/CEO's performance review is conducted by the Board. This evaluation is based on specific criteria, including the group's business performance, whether strategic objectives

are being achieved and the development of management and personnel.

While there is no formal program of director education, directors and senior executives attend industry and other related seminars and conferences under relevant professional development programs for which the company has made a budget provision.

Directors are entitled to seek independent professional advice in the performance of their duties. The company will pay for this advice on the approval of the Chair.

REMUNERATION

Remuneration Committee

The Board performs the function of a Remuneration Committee to ensure that the remuneration policies and practices of the company are consistent with its strategic goals and human-resource objectives.

When performing the function of a Remuneration Committee, the Board is to:

- recommend aggregate director's remuneration and entitlements to the shareholders for approval;
- establish and recommend the remuneration and entitlements of the Chief Executive; and
- establish remuneration policies and guidelines for senior executives and staff.

The Company considers that given the size and composition of the Board, it is able to exercise independent judgement in order to satisfy its responsibilities.

Directors and Senior Management

Non-Executive Directors receive director's fees and associated minimum statutory superannuation payments. Fees payable to individual directors are established by the directors within the aggregate approved by the shareholders.

Directors are not entitled to any retirement allowances nor any bonuses or share options without the approval of shareholders.

Details of the nature and amount of directors' remuneration are outlined in the Directors' Report.

Senior management (including the Executive Chair/CEO) are engaged on contracts with no fixed term, with remuneration comprising four possible elements:

- fixed component – comprising salary, superannuation, motor vehicle and other standard industry benefits;
- short-term performance component – comprising cash bonus for performance above pre-agreed objective hurdles;
- long-term performance component – comprising cash bonus for performance above pre-agreed objective hurdles; and
- long-term performance component – comprising options over shares, subject to performance hurdles, vesting periods and payment of exercise price.

Details of the nature and amount of senior executives' remuneration are outlined in the Directors' Report.

Equity based remuneration

The Company has a Securities Trading Policy. The policy states that participants in the company's equity incentive schemes are prohibited from hedging or otherwise limiting the economic risk of participating in the scheme.