

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

COVENTRY GROUP LIMITED
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ABN/ARBN

37 008 670 102
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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.cgl.com.au/index.php/investors/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 28 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: 28 August 2023

Name of authorised officer authorising lodgement: Neil Cathie, Chairman

<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.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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 <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>
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(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</li> <li>(c) disclose in relation to each reporting period:               <ul 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:                   <ul 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 entity has defined "senior executive" for these purposes); or</li> <li>(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.</li> </ul> </li> </ul> </li> </ul> <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>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></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>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose 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: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>
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"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>

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 type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: ..... <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: ..... <i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></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>
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 type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: ..... <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement URL <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a> <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>
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"/> and we have disclosed the names of the directors considered by the board to be independent directors at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p> <p>and, where applicable, the information referred to in paragraph (b) at: Not applicable</p> <p>and the length of service of each director at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<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>
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"/>	<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>
2.6	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"/>	<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>

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<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: Our Code of Conduct, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>and we have disclosed a copy of the charter of the committee at: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p> <p>and the information referred to in paragraphs (4) and (5) at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</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

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<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.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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.cgl.com.au">https://www.cgl.com.au</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: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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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
<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>	<input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a>  and the information referred to in paragraphs (4) and (5) at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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>	<input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>
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 type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: ..... <i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i> 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: ..... <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p>
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>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks and how we manage those risks at: Our Corporate Governance Statement URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</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 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 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"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/corporate-governance</a></p> <p>and the information referred to in paragraphs (4) and (5) at: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>
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"/> 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: Our Corporate Governance Statement, URL: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>
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"/> and we have disclosed our policy on this issue or a summary of it at: <a href="https://www.cgl.com.au/index.php/investors/corporate-governance">https://www.cgl.com.au/index.php/investors/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>

## **Corporate Governance Statement**

COVENTRY GROUP LTD  
ACN 008 670 102  
**(Company)**

30 June 2023

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## **Introduction**

The Board of Directors of Coventry Group Ltd ("CYG" or the "Company") is responsible for the corporate governance of the Company.

The practices outlined in this statement are in accordance with the ASX Corporate Governance Council's (ASXCGC) Corporate Governance Principles and Recommendations (4th Edition) unless otherwise stated.

### **ASXCGC Principle 1**

#### **Lay solid foundations for management and oversight.**

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

### **ASXCGC Recommendation 1.1**

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

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

### **CYG Practice**

The Board has ultimate responsibility for oversight of the management and actions of CYG. It is responsible to shareholders for the Group's overall corporate governance.

The Board has a charter which formalises certain matters relating to the Board. The charter addresses the purpose and role of the Board, its powers, Board membership, independence criteria, meeting formalities, Board sub-committee requirements, self-assessment and appointment procedures as well as a policy on Directors' terms of office. The charter also outlines the role and responsibilities of management.

The Board Charter can be viewed on the Group's website under the tab – 'Investors, Corporate Governance'.

The Company has a formal delegated authority policy which sets out parameters and limits for entering into contractual relationship with customers and suppliers, and a broad range of other operational matters. There are separate policies covering capital expenditure and treasury transactions. The policies are amended and updated as circumstances arise.

### **ASXCGC Recommendation 1.2**

A listed entity should:

- (a) undertake appropriate checks before appointing a Director or senior executive or putting someone forward for election as a Director; and
- (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

### **CYG Practice**

The Board undertakes a robust process in selecting a candidate as a Director. External advice is sought and independent search firms are engaged where warranted.

All notices to security holders for AGMs and general meetings of the Company where a decision is required to elect or re-elect a Director contain relevant information regarding the individual(s) being considered for election or re-election.

### **ASXCGC Recommendation 1.3**

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

### **CYG Practice**

The Company has in place formal letters of engagement for non-executive Directors, setting out the key terms and conditions of their appointment.

The Chief Executive Officer, Mr R Bulluss, is engaged in accordance with a service contract and has a formal position description.

All senior executives of the Company are employed pursuant to formal service contracts and have formal position descriptions. The Chief Financial Officer has his service contract endorsed by the Board.

### **ASXCGC Recommendation 1.4**

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

### **CYG Practice**

The Company Secretary of the Company has a direct reporting line to the Chairman and is responsible to the Board for statutory compliance and administrative matters associated with the Board.

### **ASXCGC Recommendation 1.5**

A listed entity should:

- (a) have and disclose a diversity policy; and
- (b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and
- (c) disclose in relation to each reporting period:
  - (1) the measurable objectives set for that period to achieve gender diversity
  - (2) the entity's progress towards achieving those objectives
  - (3) either:
    - (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
    - (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.

### **CYG Practice**

The Company has a formal diversity policy.

The policy can be viewed on the Group's website under the tab – 'Investors, Corporate Governance'.

The Company is committed to an ethical and socially responsible work environment that values, encourages, promotes and fosters fairness and diversity. The Company is committed to inclusion at all levels of the organisation regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience. This commitment aligns with the Company's statement of values and Code of Conduct each of which have been adopted to outline the behaviours, expectations and actions required to foster a culture of acting lawfully, ethically and responsibly across the organisation. The Company believes such a culture, instilled in all who work for CYG, underpins its commitment to being an ethical and socially responsible organisation and will enhance investor confidence and long-term shareholder value.

The Board has not set measurable objectives based on gender diversity alone. The Company has been in a re-building phase after some years of under-performance and, for now, the Board is more



concerned with instilling the right culture more broadly throughout the business and not setting absolute targets for gender diversity alone.

As at 30 June 2023, 23.9% of the Company's employees were women. Women who hold middle management positions totaled 27%, whilst women working in our business as team members represented 23.2%, there is one woman on the Executive Leadership Team.

### **ASXCGC Recommendation 1.6**

A listed entity should:

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

### **CYG Practice**

The Board Charter stipulates that a biennial performance evaluation of the Board and its committees be undertaken. A biennial internal review of the Board and its committees is carried out. The purpose of the review is to provide satisfaction that the Board comprises the most appropriate mix of expertise, skills, knowledge and experience in order to direct the Company. A review was carried out in August 2023.

### **ASXCGC Recommendation 1.7**

A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

### **CYG Practice**

Arrangements are in place to monitor the performance of senior executives of the Company. The direct reports to the Chief Executive Officer will have formal reviews at least once a year.

Performance is measured against previously agreed objectives / key performance indicators (KPIs). Apart from reviewing KPIs, the performance appraisal also considers leadership competencies, areas of improvement, training and development as well as career aspirations.

The Board monitors the performance of the Chief Executive Officer and his direct reports (in consultation with the Chief Executive Officer) to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the performance of the Company.

### **ASXCGC Principle 2**

#### **Structure the Board to be effective and add value.**

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

### **ASXCGC Recommendation 2.1**

The Board of a listed entity should:

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

- meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the process 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.

### **CYG Practice**

The Board has determined that the role of the nomination committee is most appropriately carried out by the full Board. The Chairman takes the lead in the process of ensuring the composition of the Board is appropriate having considered the results of the biennial internal performance evaluation of the Board and other factors pertinent to its effective operation.

### **ASXCGC Recommendation 2.2**

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.

### **CYG Practice**

The objective of the Board is to have an appropriate mix of experience and expertise so that it can effectively fulfil its governance and oversight responsibilities. It is the view of the Board that the current Directors have an appropriate mix of relevant skills and experience to enable the Board to fulfil those responsibilities.

The Board does not maintain a formal matrix of Board skills and experience however the diversity of experience and any perceived gaps in skills and experience are an important consideration when contemplating a proposed Board appointment. The current Board comprises individuals with a comprehensive mix of experience and expertise across a variety of industries. In particular, skills and experience within the Board include:

- (a) in the following industries: trade distribution, manufacturing, retail, finance, banking, and public sectors; and
- (b) expertise in strategy, sales and distribution, corporate finance, risk management, safety, executive leadership and marketing.

Skills and experience not represented on the Board are supplemented through external advisors and/or management.

Full details of each Directors' relevant skills and experience are set out in the Company's 2023 Annual Report.

### **ASXCGC Recommendation 2.3**

A listed entity should disclose:

- (a) the names of the Directors considered by the Board to be independent Directors;
- (b) if a Director has an interest, position, 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
- (c) the length of service of each Director.

### **CYG Practice**

The Board presently consists of six Directors. The names of the non-executive independent Directors are Messrs N Cathie, A Nisbet, and J Todd. Mr T Howarth, who was appointed on 4 May 2020, is a nominee Director for a substantial shareholder (Viburnum Funds) and is not considered independent. Mr A White, who was appointed on 1 March 2022 is a Director of Richmond Hill Capital, a substantial shareholder of the Company, and therefore is not considered independent. Mr

A White has appointed Mr E Odza as an Alternate Director on 1 May 2023.

The Board has a balanced composition with each current Director bringing to the Company a range of complementary skills and experience.

In relation to the term of office for the Directors, the Board has adopted the following policy:  
“Subject to circumstances prevailing at the time and the Company’s ability to find a suitable replacement, a Director shall retire from the Board no later than the conclusion of the annual general meeting occurring after the twelfth anniversary of the Director’s first appointment or election to the Board.

The Board may consider variations to this policy in exceptional circumstances.”

The length of service for each Director is as follows:

- N Cathie appointed 19 September 2014
- A Nisbet appointed 1 October 2017
- R Bulluss appointed 29 August 2017
- J Todd appointed 3 September 2018
- T Howarth appointed 4 May 2020
- A White appointed 1 March 2022 with E Odza appointed as Alternate Director 1 May 2023

#### **ASXCGC Recommendation 2.4**

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

#### **CYG Practice**

The Board presently consists of six Directors. Three of the Directors are non-executive and independent.

#### **ASXCGC Recommendation 2.5**

The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the Chief Executive Officer of the entity.

#### **CYG Practice**

Mr N Cathie is Chairman of the Board and is an independent Director.

#### **ASXCGC Recommendation 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.

#### **CYG Practice**

The Company has a structured induction program for all newly appointed Directors. The Directors are encouraged to attend relevant professional development seminars and courses and are kept informed by management in relation to any changes in the regulatory environment affecting the Company.

#### **ASXCGC Principle 3**

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

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

#### **ASXCGC Recommendation 3.1**

A listed entity should articulate and disclose its values.

#### **CYG Practice**

The Company has a statement of values approved by the Board and published on its website within the Company's Code of Conduct. The Board has charged the Company's executive leadership with the responsibility of instilling those values across the organisation. The Board expects that all employees will receive appropriate training on the Company's values and that the executive leadership reference and reinforce those values in their dealings with colleagues throughout the business. In this way the Board expects a culture of acting lawfully, ethically and responsibly will be instilled and continually reinforced across the Company.

### **ASXCGC Recommendation 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.

### **CYG Practice**

The Board has approved a Code of Conduct, which applies to everyone employed by the Company, including Directors. The Code outlines how all employees are required to conduct themselves with behaviours and actions based on the Company's values. The Code of Conduct is available on the Company's website. Any material breaches of the Code are to be reported to the Board immediately. For non-material breaches/matters, reporting will occur at the next Audit & Risk Committee meeting.

### **ASXCGC Recommendation 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 under that policy.

### **CYG Practice**

The Board has adopted a Whistleblower Policy which applies to everyone employed by the Company, including Directors, as well as contractors and their employees, consultants and their employees and other relevant persons who might be engaged by the Company to perform services for it. The Whistleblower Policy is available on the Company's website. Any material breaches of the Policy are to be reported to the Board immediately. For non-material breaches/matters, reporting will occur at the next Audit & Risk Committee meeting.

### **ASXCGC Recommendation 3.4**

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.

### **CYG Practice**

The Board has adopted an Anti-Bribery and Corruption Policy which applies to everyone employed by the Company, including Directors. The Anti-Bribery and Corruption Policy is available on the Company's website. Any material breaches of the Policy are to be reported to the Board immediately. For non-material breaches/matters, reporting will occur at the next Audit & Risk Committee meeting.

### **ASXCGC Principle 4**

#### **Safeguard the integrity of corporate reports.**

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

### **ASXCGC Recommendation 4.1**

The Board of a listed entity should:

- (a) have an audit committee which:
  - (1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and
  - (2) is chaired by an independent Director, who is not the chair of the Board;

and disclose:

- (3) the charter of the committee;
  - (4) the relevant qualifications and experience of the members of the committee; and
  - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

### **CYG Practice**

The Board has established an Audit & Risk Committee, which comprises five members and is compliant with ASXCGC recommendation 4.1.

The members of the Audit & Risk Committee are presently Mr J Todd (Chairman), Mr A Nisbet, Mr T Howarth, Mr N Cathie and Mr A White. All members of the Committee are non-executive Directors and three of the five members are independent. Mr J Todd has formal qualifications in commerce and applied finance. Mr N Cathie has accounting qualifications.

The Company's Audit & Risk Committee has a formal charter which sets out its roles, composition and duties and responsibilities. The Committee reports back to the Board on all matters relevant to its roles and responsibilities.

The Committee's charter can be viewed on the Group's website, under the tab – 'Investors, Corporate Governance'.

The number of Committee meetings held and individual attendances of the members during the relevant reporting period are shown in the Company's annual report under the section Directors' Report sub-section Directors' Meetings.

### **ASXCGC Recommendation 4.2**

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

### **CYG Practice**

The Board receives assurance from its Chief Executive Officer and Chief Financial Officer in the form of 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 is founded on the basis of a sound system of risk management and internal controls which is operating efficiently and effectively in all material respects and where not so operating, is being brought into compliance.

### **ASXCGC Recommendation 4.3**

A listed entity should disclose its process to verify the integrity of any periodic corporate report it

releases to the market that is not audited or reviewed by an external auditor.

#### **CYG Practice**

Periodic reports to the market which are not audited or reviewed by external auditors are subject to a number of layers of management review to ensure all content is materially accurate, balanced and appropriate. A final review and approval by the Board is mandatory for all material market announcements prior to release to the market. Non-material market announcements must be approved by the Chairman and Chief Executive Officer prior to release to the market.

#### **ASXCGC Principle 5**

##### **Make timely and balanced disclosure.**

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

#### **ASXCGC Recommendation 5.1**

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

#### **CYG Practice**

The Board has adopted a Continuous Disclosure Policy to ensure compliance with ASX Listing Rule disclosure requirements.

The Continuous Disclosure Policy can be viewed on the Group's website under the tab – 'Investors, Corporate Governance'.

#### **ASXCGC Recommendation 5.2**

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

#### **CYG Practice**

All material market announcements are reviewed and approved by the Board before release to the market. All Directors receive Confirmation of Release from the ASX Market Announcements Office whenever there has been a market release by the Company.

#### **ASXCGC Recommendation 5.3**

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

#### **CYG Practice**

The Company's Chief Executive Officer and Chief Financial Officer undertake investor meetings following the release of half-year and full year results announcements. An Investor Presentation forms part of these announcements and it is this document the Chief Executive Officer and Chief Financial Officer reference at these meetings.

#### **ASXCGC Principle 6**

##### **Respect the rights of security holders.**

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

#### **ASXCGC Recommendation 6.1**

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

#### **CYG Practice**

The Company's website – [www.cgl.com.au](http://www.cgl.com.au) – contains particulars regarding its activities and operations as well as relevant documents pertinent to its governance regime.

#### **ASXCGC Recommendation 6.2**

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

#### **CYG Practice**

The Company encourages regular and timely communication with its shareholders and other stakeholders. Communication channels used by the Company include:

- regular shareholder communication such as the Half Year Report, Annual Report and, as appropriate, other periodic advices such as Director changes;
- yearly and half-yearly investor meetings;
- the Annual General Meeting;
- shareholder access to communications through the use of information technology such as the Company's website where all key notices, policies and documents are posted; and
- a direct link from the Company's website to Computershare Investor Services, the Company's share registry service provider.

#### **ASXCGC Recommendation 6.3**

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

#### **CYG Practice**

The Board encourages full participation by shareholders at the AGM during which they are invited to raise questions or make comment regarding the operations and performance of the Company.

The external auditor attends each AGM and is available to answer shareholder questions about the audit.

#### **ASXCGC Recommendation 6.4**

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

#### **CYG Practice**

All resolutions put to security holders at a meeting of security holders are decided by a poll.

#### **ASXCGC Recommendation 6.5**

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

#### **CYG Practice**

The Company, and its share registry service provider, gives security holders the option to receive communications electronically.

#### **ASXCGC Principle 7**

##### **Recognise and manage risk.**

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

#### **ASXCGC Recommendation 7.1**

The Board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:

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

#### **CYG Practice**

The Company has an Audit & Risk Committee that has responsibility for overseeing the Company's risk management framework. Refer to comments for CYG Practice under ASXCGC Recommendation 4.1.

#### **ASXCGC Recommendation 7.2**

The Board or a committee of the Board should:

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

#### **CYG Practice**

The Company has developed a risk management framework and established a Group risk register, which includes material business risks in the context of the Group's risk appetite.

The Group risk management framework and risk register are reviewed at least annually by the Audit & Risk Committee.

#### **ASXCGC Recommendation 7.3**

A listed entity should disclose:

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

#### **CYG Practice**

The Company does not have an internal audit function.

The Company has undertaken a group-wide review of risk and implemented mechanisms appropriate to the size and complexity of its operations to manage risk without the requirement of a separate internal audit function. In particular, management reviews the organisational structure and accounting controls and processes of each business in the group on a regular basis and reports appropriately to the Audit & Risk Committee and the Board. In this manner the Board is satisfied there are appropriate mechanisms in place to identify material business risks and ensure they are managed effectively.

#### **ASXCGC Recommendation 7.4**

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

#### **CYG Practice**

The Company does not have any significant exposure to environmental regulation under Australian Commonwealth or State law.

The Company has identified certain risks that could materially impact the Company's performance



and growth strategies. While not exhaustive, these risks include:

- Economic: CYG's financial performance is sensitive to general risks presented by the Australian, New Zealand and international economies, which may cause local or more general downturns in confidence and demand in the markets in which it operates. The Company monitors these markets closely and has robust plans for scaling businesses appropriately, as circumstances require.
- Foreign exchange: CYG is exposed to foreign exchange rate fluctuations in relation to its overseas supply chain. This risk is managed through hedging arrangements governed by a Board approved hedging policy.
- Key personnel: Recruiting, retaining and rewarding the right employees is key to CYG's continuing growth and financial performance. CYG has appropriate recruiting processes, succession plans, development plans and remuneration measures in place to manage this risk.
- Business continuity: CYG is exposed to business continuity risks which may include: a Cyber attack impacting one or more of its locations; a natural disaster impacting one or more of its locations; inventory shortages due to disruption to its supply chain locally or internationally; a major outage of essential services at one or more of its locations; a pandemic requiring closure of some or all of its locations. Some of these risks are mitigated through business spread across multiple locations, alternate supply sources, cloud-based information technology solutions and appropriate insurance coverage.

### **ASXCGC Principle 8**

#### **Remunerate fairly and responsibly.**

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

#### **ASXCGC Recommendation 8.1**

The Board of a listed entity should:

- (a) have a remuneration committee which:
  - (1) has at least three members, a majority of whom are independent Directors;
  - (2) is chaired by an independent Director;
  - (3) the charter for the committee;
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

#### **CYG Practice**

The members of the Remuneration Committee are presently Mr N Cathie (Chairman), Mr A Nisbet, Mr J Todd, Mr T Howarth and Mr A White.

The Company's Remuneration Committee has a formal charter, which sets out its roles, composition and duties and responsibilities. The Committee reports back to the Board on all matters relevant to its roles and responsibilities. The Committee's charter can be viewed on the Group's website, under the tab – 'Investors, Corporate Governance'.

The number of Committee meetings held and individual attendances of the members during the relevant reporting period are shown in the Company's annual report under the section Directors' Report sub-section Directors' Meetings.

**ASX Recommendation 8.2**

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

**CYG Practice**

The remuneration of non-executive Directors is reviewed on a periodic basis by the Remuneration Committee having regard to the workload of the Directors and the level of fees paid to non-executive Directors of other companies of similar size and nature.

The aggregate amount payable to non-executive Directors must not exceed the maximum annual amount approved by the Company's shareholders. Further details of non-executive Directors' remuneration are contained in the remuneration report of the annual report.

All senior Company executives have service contracts which clearly set out the basis for their remuneration. Further details of executive remuneration are set out in the remuneration report of the annual report.

**ASX Recommendation 8.3**

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

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

**CYG Practice**

An Executive and Director Incentive Plan ("the Plan") was approved by shareholders at the 2017 Annual General Meeting and refreshed at the 2020 Annual General Meeting. This share-based plan provides for the granting or issuing of performance rights in accordance with its terms and subject to the terms and performance hurdles set by the Board.

The Company has a Securities Trading Policy, which prohibits Key Management Personnel from:

- entering into a transaction, that is designed or intended to hedge that person's exposure to a CYG security that is subject to retention arrangements or unvested option;
- engaging in speculative or short-term trading;
- granting security interest over any CYG securities they own, including any margin loan without first receiving written consent of the Chairman, and in case of the Chairman, approval to be sought from the Chairman of the Audit & Risk Committee.

The Executive and Director Incentive Plan and Securities Trading Policy can be viewed on the Group's website, under the tab 'Investors, Corporate Governance'.