



G O W I N G B R O S

Investing Together For a Secure Future

GOWING BROS LIMITED

EST. 1868

ACN 000 010 471

UNIT 21, UPPER DECK

JONES BAY WHARF

26-32 PIRRAMA ROAD

PYRMONT NSW 2009

TEL 61 2 9264 6321

FAX 61 2 9264 6240

www.gowings.com

30 October 2020

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Gowing Bros. Limited (ASX: GOW) Appendix 4G and 2020 Corporate Governance Statement

Please find attached the Gowing Bros. Limited Appendix 4G and 2020 Corporate Governance Statement, in accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3.

Yours sincerely

Ian Morgan
Company Secretary

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Gowing Bros. Limited

ABN / ARBN:

68 000 010 471

Financial year ended:

31 July 2020

Our corporate governance statement² for the above period above can be found at:³

☒ This URL on our website: <http://gowings.com/reports-announcements/#reports-to-the-australian-securities-exchange>

The Corporate Governance Statement is accurate and up to date as at 30 October 2020 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 30 October 2020

Ian Morgan

Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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 rule 4.10.3.

² "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.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

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.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ at http://gowings.com/wp-content/uploads/2016/06/Board-Charter.pdf	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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 person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of our diversity policy or a summary of it: ☐ at <i>[insert location]</i> ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement	☒ an explanation why that is so in our Corporate Governance Statement
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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☒ in our Corporate Governance Statement	☒ an explanation why that is so in our Corporate Governance Statement
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in the Annual Report found at http://gowings.com/reports-announcements/#annual-reports ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ... and the length of service of each director: ☒ in the Annual Report found at http://gowings.com/reports-announcements/#annual-reports	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement OR
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement OR
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement OR
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ at http://gowings.com/wp-content/uploads/2016/06/Code%20of%20Conduct.pdf	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ... and a copy of the charter of the committee: ☒ at http://gowings.com/wp-content/uploads/2015/07/Gowing-Bros-Audit-Committee-Charter.pdf ... and the information referred to in paragraphs (4) and (5): Relevant qualifications and experience of audit committee members can be found in the Annual Report. The number of times the Committee met throughout the period and the individual attendances of members can be found in the Annual Report. ☒ at http://gowings.com/reports-announcements/#annual-reports [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement ☐ A copy of the Continuous Disclosure Policy can be found at http://gowings.com/wp-content/uploads/2016/06/Continuous%20Disclosure%20Policy.pdf	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at http://gowings.com/reports-announcements/#company-charter	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement ☐ A copy of the Continuous Disclosure Policy and communication to investors can be found at http://gowings.com/reports-announcements/	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement ... and a copy of the charter of the committee: ☐ at http://gowings.com/wp-content/uploads/2015/07/Gowing-Bros-Audit-Committee-Charter.pdf ... and the information referred to in paragraphs (4) and (5): The Company's audit committee oversees risk. Relevant qualifications and experience of audit committee members can be found in the Annual Report. The number of times the audit committee met throughout the period and the individual attendances of members can be found in the Annual Report. ☒ at http://gowings.com/reports-announcements/#annual-reports [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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 (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that the board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement along with an explanation of findings and areas for improvement ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... 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: ☒ in our Corporate Governance Statement	☒ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at http://gowings.com/wp-content/uploads/2016/06/Remuneration%20Committee%20Charter.pdf ... and the information referred to in paragraphs (4) and (5): Relevant qualifications and experience of remuneration committee members can be found in the Annual Report. The number of times the remuneration committee met throughout the period and the individual attendances of members can be found in the Annual Report. ☒ at http://gowings.com/reports-announcements/#annual-reports [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement Remuneration of the Company's non-executive directors, executive directors and other senior executives can be found in the Annual Report.	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement



The Board of Gowing Bros. Limited (the Company) is committed to ensuring that its systems, procedures and practices reflect a high standard of corporate governance. The Board supports the core governance recommendations set by the ASX Corporate Governance Council (Recommendations) as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition recommendations).

This Corporate Governance Statement (Statement) outlines the key corporate governance practices of the Company as they relate to the 3rd Edition recommendations for the financial year ended 31 July 2020 ("Reporting Period").

The Directors do not believe that any 3rd Edition recommendations that have been disclosed below as not having been adopted, in any way disadvantage the effectiveness with which the Board operates. The Board remains clearly focused on maximising shareholder value in an ethically responsible manner and willingly adopts corporate governance best practice recommendations as the circumstances and needs of the Company require them.

1. PRINCIPLE 1: Lay solid foundations for management and oversight

1.1. The Board of Directors is primarily responsible for ensuring the Company is managed in a manner that protects and enhances and considers the interests of all stakeholders. The Board's responsibilities are outlined in the Board Charter which can be found at <http://gowings.com/wp-content/uploads/2016/06/Board-Charter.pdf>. These include:

- Setting the strategic direction of the Company;
- Overseeing and monitoring the Company's performance and achievement of strategic goals and objectives;
- Approving and monitoring the progress of major capital expenditure, acquisitions and divestitures;
- Determining and approving capital, funding, approving budgets and dividend policies;
- Defining the limits to management's responsibilities;
- Overseeing the process for making timely and balanced disclosures of all material information concerning the Company;
- Monitoring Senior Executives' performance against appropriate measures;
- Ensuring appropriate risk management systems, internal controls, codes of conduct and compliance processes are in place;
- Meet regularly to review management operational reports regarding the financial performance of the Company;
- Appointing and removing the Managing Director, including approving the remuneration of the Managing Director and succession plans for the Managing Director;



- Ratifying the appointment and, where appropriate, the replacement of any Senior Executives;
- Resolving to appoint and, where appropriate, removal of the Company Secretary; and
- Approving the Company's Remuneration framework and monitoring the effectiveness of the Company's governance practices.

To assist in its decision making, the Board has also established the following standing Committees, each of which has a formal Charter setting out the roles, responsibilities and composition of each:

- Audit Committee; and
- Remuneration Committee.

The Board has delegated to the Managing Director and other Senior Executives the responsibility for the operation and administration of the Company, including the implementation of corporate strategies and the development of annual budgets. Senior Executives are responsible for keeping the Board informed, through the provision of accurate, timely management reports and monthly management accounts, to enable the Board to perform its responsibilities.

- 1.2. Before Directors are appointed, all necessary checks are undertaken by the Board. Any candidate for appointment or election as a Director is required to provide the Board with all relevant information and a consent for the Company to conduct any background or other checks including checks as to the person's character, experience, education, criminal record and bankruptcy history. In addition, biographical details, as well as details pertaining to material directorships held, are included in election and re-election notices to shareholders to enable shareholders to make informed decisions on election or re-election of candidates. These details are outlined on page 18 in the Directors' Report which forms part of the 2020 Annual Report of the Company (**Annual Report**).

The Directors' Report forms part of the 2020 Annual Report for the Company.

- 1.3. Written agreements setting out the terms of their employment are in place for all Directors and Senior Executives. Further details are provided on pages 21 to 24 of the Annual Report.
- 1.4. The Company Secretary is accountable directly to the Board through the Chairman on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes:

- Advising the Board on governance matters;
- Coordinating the timely completion and dispatch of Board and Committee papers;



- Ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- Assisting in the organisation and facilitating the induction and professional development of Directors.

Each Director can communicate directly with the Company Secretary and vice versa.

1.5. The Board has not adopted a formal diversity policy or set measurable objectives based on diversity alone. Instead, the Board believes that it has fostered and that the Company and its employees have a governance and value culture that encourages, excellence and ethical business practice to enhance long term shareholder value, including the advancement of all employees in an ethical manner as appropriate, irrespective of gender, age, ethnicity and cultural background. Females make up more than 50% of the Company's general workforce. Currently there are no females on the Board. The Company is not a "relevant employer" under the *Workplace Gender Equality Act 2012* (Cth).

1.6. Board performance is open to evaluation by shareholders at Annual General Meetings. At every Annual General Meeting, one-third of the Directors excepting the Managing Director (or if their number is not a multiple of three then the number nearest to but not exceeding one-third) shall retire as a Director(s) and if eligible are able to offer themselves for re-election. A Director excepting the Managing Director cannot retain office for more than three years without submission for re-election.

Whilst the Board has not undertaken an annual review with respect to the performance of each of the Board, its Committees and Directors for the reporting period, a review of the Board, its Committees and Directors performance is an ongoing process within the Company. In addition to attending Board meetings, Directors are required to attend and contribute to strategy days, specifically with respect to material investments or controlled entities which form part of the Gowings Group.

Each Director has been appointed based on their specific skills and experience, which is reflected in the various roles they undertake at either the Board or a Committee level and their ability to operate in a collaborative manner.

1.7. Senior Executives along with all other employees are required to complete a performance review form and meet with their manager to discuss their performance for the previous financial year.

The outcomes of these appraisals along with any recommendations are reviewed annually by the Remuneration Committee. Performance evaluations were undertaken in relation to the Reporting Period, as per the outlined process.



2. PRINCIPLE 2: Structure the board to add value

2.1. The Board currently consists of four Directors. There are three non-executive Directors (two of whom, Messrs Clancy and Parker, are independent) and one executive Director, being the Managing Director. The Managing Director holds a key management role within the Company. The tenure of Directors is governed by the Company's Constitution and the ASX Listing Rules. The names, details and qualifications of the Directors are outlined on page 18 of the Annual Report.

The current structure of the Board has been designed to provide the most effective composition, size and commitment from its Directors who have extensive experience and between them possess an extensive range of skills, knowledge and a wide diversity of capability to oversee the Company's business. This also ensures that the Board performs its function to the optimum and meets corporate governance standards that are relevant to the Company's current size and scope of operations.

Given the current size of the Company, the Board does not consider it appropriate to establish a nomination committee as the Board currently performs this function.

2.2. The Board considers that it has the necessary skills and experience to carry out its duties and responsibilities in an effective manner. The summary of the Boards skills and experience is reflected below:

Skills and Experience	Number of Directors / Board Representation (out of 4)
Executive Leadership	4
Board Representation	4
Accounting & Audit	3
Financial Analysis	3
Investment Experience	4
Property Management / Development	3
Asset Management	3
Retail Marketing	2
Risk Management	4
Strategic Development	4
Corporate Finance	4

2.3. As noted in 2.1, the Company presently has two independent Directors whose details are outlined on page 18 of the Annual Report. The Board considers a Director's independent status on an ongoing basis at each Board meeting and more specifically prior to the end of each reporting period. The length of service of each Director is outlined on page 18 of the Annual Report.

The Board has formulated its own independence criteria, (as outlined in the Company's Board Charter) based on the ASX Corporate Governance Recommendations. Based on the Company's independence criteria, the Board is of the view that the length of service in which Mr John Parker has been a Director of the



Company has not affected his capacity to bring independent judgement to bear on issues before the Board and to act in the best interest of the Company and its shareholders.

- 2.4. The Board is comprised of four Directors, including a non-executive Chairman, two non-executive Directors and the Managing Director. The Board has assessed that two of the three non-executive Directors are independent and the remaining two Directors are not independent. Notwithstanding that a majority of the Board of Directors are not independent, the Board believes that each Director brings independent judgement to each decision considered by the Board and the Directors have an appropriate mix of skills, experience and alignment of interests to act in the best interest of the Company and its shareholders.

A Directors Standing Notice of Interest Register (**Register**) has been adopted. The Register assists the Board in determining whether there has been a change to the independence status of a Director.

- 2.5. The Chairman of the Board, Professor West, is a non-executive Director who is not independent. He is not the CEO of the Company. Professor West has and continues to perform advisory services to the Company and is also in the list of top 20 shareholders of the Company. The Board has taken this into consideration and is confident that Professor West's knowledge of the Company, his active interest and participation in the Company and his experience across other companies has not affected his ability to fulfil his role as Chairman of the Board. The Board believes he is the best person to fulfil the role of Chairman of the Board and therefore does not consider it necessary to appoint an independent Chairman to the Board. If at any point in time, Professor West's independence is considered an issue with respect to a specific matter, the Board will appoint an independent non-executive Director to preside over the relevant matter under discussion and Professor West will absent himself in accordance with the Corporations Act.
- 2.6. The Company does not have a program for inducting new Directors, to provide professional development opportunities or skills training. However, the necessary induction and training will be provided when required. Directors are carefully selected to ensure their existing experience and skills are complementary to the Company.

3. PRINCIPLE 3: Act ethically and responsibly

- 3.1. The Company has a Code of Conduct which applies to each of the Company's Directors, Senior Executives and employees, which can be found on the Company's website at <http://gowings.com>

The most effective way to promote ethical and responsible conduct is for the Board and the Senior Executive team to foster, through their actions, the Company's key



vision and values. The continuous development of an ethical corporate culture is a key component.

4. PRINCIPLE 4: Safeguard integrity in corporate reporting

4.1. The Company has an Audit Committee. The Audit Committee is made up of three non-executive Directors, two of whom are independent. The Committee is chaired by an independent Director who is not the Chairman of the Board. The Charter of the Audit Committee includes its roles and responsibilities and can be found at <http://gowings.com>

The members of the Audit Committee, their relevant experience and qualifications, the number of times the Committee met during the Reporting Period and the individual attendances of the members are outlined on page 19 of the Annual Report.

4.2. Before the Board approves the financial statements for a financial period, the Managing Director and the Chief Financial Officer provide a declaration in writing to the Board that the Company's 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 as required by section 295A of the Corporations Act, for each Reporting Period. The declaration states that their opinion has been formed based on a sound system of risk management and internal control, which is operating effectively.

4.3. The Company ensures that its external auditor attends the Annual General Meeting and is available to answer shareholder questions relevant to the audit.



5. PRINCIPLE 5: **Make timely and balanced disclosure**

The Company has a written Continuous Disclosure policy to ensure that the Company complies with its continuous disclosure obligations which can be found at <http://gowings.com>

6. PRINCIPLE 6: **Respect the rights of security-holders**

6.1. The Board ensures that shareholders are kept informed of all major developments affecting the Company. The Company provides information about itself and its governance to investors via its website, which includes announcements made to the ASX and various Governance Policies and Charters.

6.2. The Company has a Continuous Disclosure Policy, which supports the Board's commitment to ensure effective communication with its shareholders. The Company communicates with its shareholders in several ways, including:

- Annual and half-yearly reports;
- Encouraging shareholder attendance at Annual General Meetings;
- Lodging statutory ASX announcements;
- Completing ASX market disclosures in accordance with the Company's Continuous Discloser Policy;
- Ensuring that the Company's Annual Report is available to all shareholders either through direct distribution or via the Company's website; and
- Sending notices and explanatory memoranda to shareholders in relation to resolutions to be put to a vote.

6.3. The Company regards the Annual General Meeting as an opportunity for engaging and communicating with its shareholders to provide a greater understanding of the business, governance, financial performance and prospects of the Company as well as giving shareholders the opportunity to express their views on matters concerning the Company. The Company's policy is to encourage effective shareholder participation at shareholder meetings.

Notices of Meeting for a meeting of shareholders, are accompanied by explanatory notes to enable shareholders to assess and make informed decisions on the resolutions being put forward at the meeting.

Shareholders unable to attend such a meeting can exercise their right to ask questions about, or make comments on, the management of the Company by submitting questions or comments ahead of the meeting. Where appropriate these questions will be responded to at the meeting.

6.4. The 'Contact' section of the Company's website, <http://gowings.com/contact/> allows shareholders to contact the Company directly. The Company also gives shareholders the option of receiving communications and shareholder material electronically.

7. PRINCIPLE 7: **Recognise and manage risk**



- 7.1. The Company has an Audit Committee, (previously described under Principle 4.1) which oversees both the establishment and maintenance of a framework for pro-active risk management. The Company complies with Principle 7.1.
- 7.2. The Board through the Audit Committee has undertaken a review of the Risk Management Framework for the reporting period.
- 7.3. The Company, given its size, does not have an internal audit function. Instead, monthly management reports are prepared by Senior Executives within the Company, identifying relevant areas of risk and internal control. These reports are circulated to Board members, where applicable, for them to evaluate and to continue to improve the effectiveness of the Risk Management framework and internal control processes.
- 7.4. The Board determines the overall risk appetite for the Company and approves strategies to ensure that key risks are identified and managed. The Board has, through the Audit Committee, developed a Risk Management Framework and charged management with its implementation within the Company, utilising risk mitigation strategies.

The Board and Senior Executives have identified several specific areas that pose a risk to the business and are implementing strategies to mitigate these risks. These include:

Risk Identified	Strategy to Minimise Risk
Operational – WH&S	Pro-active culture of safety first
Financial – Receivables	Internal controls: prevent, monitor, detect
Strategic – Investment decisions	SWOT analysis, risk matrix, strategy sessions
Commercial & Reputational	Tenancy analysis, regulatory compliance
Technical – systems failure	Flood mitigation, offsite disaster recovery
Financial Markets Risk	Monitoring, hedging, ratio analysis & KPIs

The Board believes that its business is economically, environmentally and socially sustainable and therefore does not consider that the Company has any material exposure to environmental or socially sustainable risks.



8. PRINCIPLE 8: Remunerate fairly and responsibly

8.1. The Company has a Remuneration Committee and its roles and responsibilities are set out in the Committee Charter which can be found at <http://gowings.com>. The Committee consists of two Directors, one being an independent non-executive Director, who is Chairman of the Committee, and the Managing Director. The Company does not believe that the failure to have three directors in any way hinders the operation of this Committee as all recommendations from the Committee are presented to the Board for approval. The members of the Remuneration Committee and the number of times the Committee met during the period and the individual attendances of the members are outlined on page 19 of the Annual Report.

Remuneration levels are based on skills, knowledge, experience, education, length of service, industry salary and remuneration levels and retention. Remuneration is reviewed annually for the Managing Director, non-executive Directors and Senior Executives to ensure that it remains appropriate. The Managing Director, being a member of this Committee is not involved in determining his own remuneration.

8.2. The non-executive Directors are remunerated by way of fees and statutory superannuation and do not receive any retirement benefits. The remuneration is in line with their responsibilities, duties and risks involved in the role. Total remuneration for non-executive Directors is restricted in terms of the remuneration cap, which is reviewed periodically and is subject to shareholder approval for increased limits.

Additional information with respect to remuneration, including separate disclosure of policies and practices regarding the remuneration of non-executive Directors, the Managing Director and other key management personnel, is outlined on pages 21 to 24 of the Annual Report.

8.3. It is the policy of the Company that participants in the equity-based remuneration plans of the Company are not permitted to enter into transactions which limit their economic risk of participating in the scheme.