

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

MILTON CORPORATION LIMITED
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ABN/ARBN

18 000 041 421
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Financial year ended:

30 JUNE 2021
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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://milton.com.au/corporate-governance-statement>

The Corporate Governance Statement is accurate and up to date as at *[insert effective date of statement]* 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: **11 August 2021**

Name of authorised officer authorising lodgement: **Nishantha Seneviratne**

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<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 <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>
<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"/> In our Corporate Governance Statement (Part 3) and we have disclosed a copy of our board charter at: <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> In our Corporate Governance Statement (Part 6), In our Board Charter (Part 6) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a> ; and In our Nominations Committee Charter (Part 2) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> In our Corporate Governance Statement (Part 6); and in our Board Charter (Part 6) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> in our Corporate Governance Statement (Part 8)	<input type="checkbox"/>

<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/](http://www.entityname.com.au/corporate-governance/charters/)”).

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	-	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement (Part 7) and we have disclosed a copy of our diversity policy at: <a href="http://milton.com.au/Shareholders/Charters%20&amp;%20Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p> <p>MLT is not included in the S&amp;P / ASX 300 Index.</p>

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.6	<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>In our Corporate Governance Statement (Part 5) and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>In our Performance Evaluation Policy (Part 2) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>; and</p> <p>in our Nomination Committee Charter (Part 2) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process :</p> <p>In our Corporate Governance Statement (Part 5), under the header 'Nomination Committee'.</p>	<p><input type="checkbox"/></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>In our Corporate Governance Statement (Part 5), under the header 'Remuneration Committee'</p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>in our Performance Evaluation Policy (Part 2) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>; and</p> <p>In our Remuneration Committee Charter (Part 2) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>in our Corporate Governance Statement (Part 5)</p>	<p><input type="checkbox"/></p>

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>Milton Complies with paragraph (a). We have disclosed the details of the Committee in our Corporate Governance Statement (Part 5). and we have disclosed a copy of the charter of the committee at: Nominations Committee Charter - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p> <p>and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement (Part 5) ; and in our Annual Report 2021 /Directors Report/Directors Meetings (Page 10)</p>	<p><input type="checkbox"/></p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>in our Corporate Governance Statement (Part 4) and we have disclosed our board skills matrix at: Corporate Governance Statement (Part 4) - <a href="http://milton.com.au/Shareholders/Corporate Governance">milton.com.au/Shareholders/Corporate Governance</a></p>	<p><input type="checkbox"/></p>

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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, 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 (c) the length of service of each director.	<input checked="" type="checkbox"/> in our Corporate Governance Statement (Part 4) and we have disclosed the names of the directors considered by the board to be independent directors at: in our Corporate Governance Statement (Part 4) and, where applicable, the information referred to in paragraph (b) at: in our Corporate Governance Statement (Part 4) and the length of service of each director at: in our Corporate Governance Statement (Part 4)	<input type="checkbox"/>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> in our Corporate Governance Statement (Part 4)	<input type="checkbox"/>
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"/> in our Corporate Governance Statement (Part 4)	<input type="checkbox"/>
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"/> in our Corporate Governance Statement (Part 6) ;and In our Board Charter (Part 6) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>

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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"/> In our Corporate Governance Statement (Part 1) and we have disclosed our values at: In our Code of Conduct (Part 1) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> In our Corporate Governance Statement (Part 1) and we have disclosed our code of conduct at: In our Code of Conduct - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> In our Corporate Governance Statement (Part 12) and we have disclosed our whistle-blower policy at: In our Whistle-blower Policy - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> In our Corporate Governance Statement (Part 13) and we have disclosed our anti-bribery and corruption policy at: In our Anti Corruption and Bribery Policy - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>

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<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>Milton complies with paragraph (a). We have disclosed the details of the Audit Committee in our Corporate Governance Statement (Part 5).</p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>In our Audit &amp; Risk Committee Charter (Part 3) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p> <p>and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement (Part 4) ; and <a href="#">Annual Report 2021 /Directors Report / Directors Meetings (Page 10)</a></p>	<p><input type="checkbox"/></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>in our Corporate Governance Statement (Part 10) ; and</p> <p>In our Risk Management Policy (Part 2) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p>	<p><input type="checkbox"/></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>In our Disclosure Policy (Part 2) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p>	<p><input type="checkbox"/></p>

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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"/> in our Corporate Governance Statement (Part 9) and we have disclosed our continuous disclosure compliance policy at:  In our Disclosure Policy (Part 1) - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> in our Corporate Governance Statement (Part 9)	<input type="checkbox"/>
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"/> in our Corporate Governance Statement (Part 9)	<input type="checkbox"/>
<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="http://milton.com.au/Shareholders/Corporate Governance">milton.com.au/Shareholders/Corporate Governance</a>	<input type="checkbox"/>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> In our Communication Policy (Part3) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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: In our Communication Policy (Part 4) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
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"/> In our Communication Policy (Part 4) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>

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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"/> In our Communication Policy (Part 3) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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.	<input checked="" type="checkbox"/> Milton complies with paragraph (a). We have disclosed the details of the Audit and Risk Committee in our Corporate Governance Statement (Part 5); and we have disclosed a copy of the charter of the committee at: <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">in our Audit and Risk Committee Charter - milton.com.au/Shareholders/Charters &amp; Policies</a> and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement (Part 5) and <a href="#">in our Annual Report 2021 /Directors Report/Directors Meetings (Page 10)</a>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/> In our Risk Management Policy (Part 2) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: in our Corporate Governance Statement (Part 5) under 'Audit and Risk Committee'.	<input type="checkbox"/>

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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 governance, risk management and internal control processes.	<input checked="" type="checkbox"/> <i>Milton does not have an internal audit function;</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: in our Corporate Governance Statement (Part 10) ; and In our Risk Management Policy (Part 2) – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a>	<input type="checkbox"/>
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: in our Corporate Governance Statement (Part 10) and, if we do, how we manage or intend to manage those risks at: in our Corporate Governance Statement (Part 10)	<input type="checkbox"/>

## 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>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>Milton complies with paragraph (a). We have disclosed the details of the Remuneration Committee is in our Corporate Governance Statement (Part 5)</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>In our Remuneration Committee Charter - <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>in our Corporate Governance Statement (Part 5) ; and</p> <p>in our <a href="#">Annual Report 2021 /Directors Report/Directors Meetings (Page 10)</a></p>	<p><input type="checkbox"/></p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>In our Corporate Governance Statement (Part 5) under the header 'Remuneration Committee' and Annual Report 2021/Remuneration Report (Pages 12 - 18)</p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>In our Remuneration Committee Charter – <a href="http://milton.com.au/Shareholders/Charters &amp; Policies">milton.com.au/Shareholders/Charters &amp; Policies</a></p>	<p><input type="checkbox"/></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>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: <u>Annual Report 2021 /Remuneration Report (Pages 12 - 18)</u></p>	<p><input type="checkbox"/></p>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	-	<input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	-	<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	-	<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable

## CORPORATE GOVERNANCE STATEMENT

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The directors of Milton Corporation Limited (Milton) consider sound corporate governance practices promote behaviour that is in the best interests of the company and is likely to assist in the delivery of increasing returns to shareholders over the long term.

This statement details the corporate governance framework put in place by the board of directors to promote sound management of the company. Ultimately, the board is responsible for the operational and financial performance of the company.

This statement has been approved by the board of directors and is current as at 11 August 2021.

### 1. Code of Conduct and Core Values

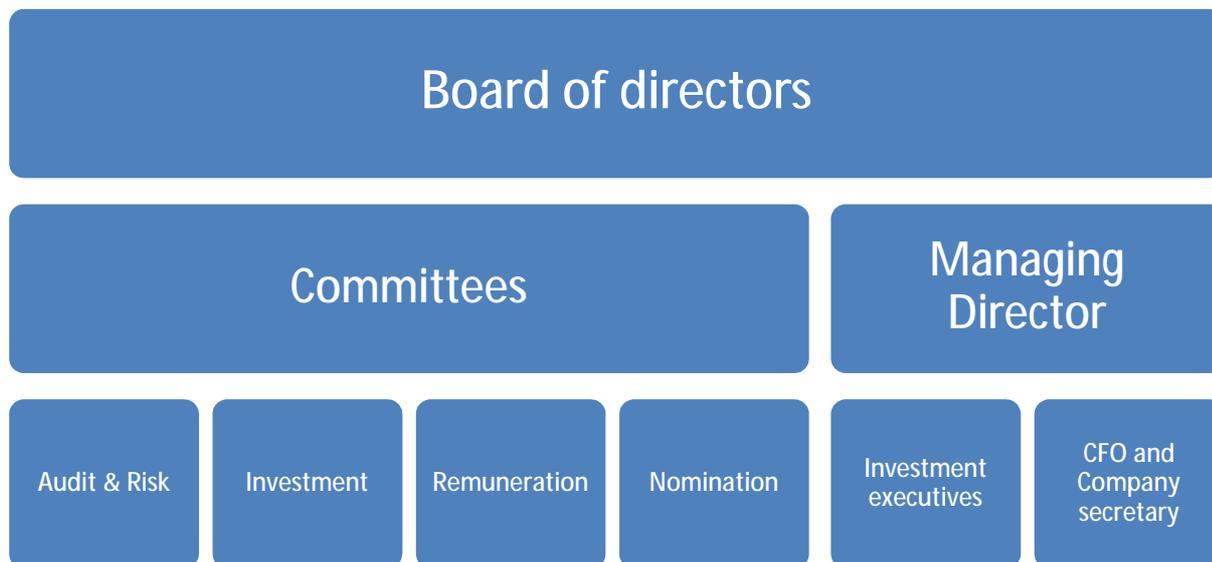
Milton's Code of Conduct disclosed in the company's website outlines the principles and standards that directors and employees are required to abide by when making decisions and discharging their duties.

Milton is committed to achieving its key objectives of increasing fully franked dividends, providing capital growth to its shareholders over time and minimizing costs by long term investing in a diversified portfolio of assets. Milton will do so whilst ensuring it acts lawfully, ethically and responsibly keeping in line with Milton's core values listed below.

- Integrity
- Transparency and accountability
- Compliance

### 2. Corporate structure

The chart below shows the corporate structure that has been established by the board.



### 3. Responsibilities

The board operates in accordance with its Board Charter which includes the responsibilities specifically reserved for the board, the board's composition and how it is to operate.

The board's responsibilities are:

- Defining Milton's purpose and setting its corporate objective;
- Approving the investment philosophy and corporate strategy;
- Approving Milton's statement of values and code of conduct;
- Oversee management in its implementation of Milton's corporate objective, instilling of the company's values and performance;
- Approving the business plan and budget;
- Approving the financial reports, shareholder communications and other public documents;
- Declaring dividends;

- Capital management including approval of all share issue offers such as the share purchase plan, dividend reinvestment plan and consideration for company acquisitions;
- Approving portfolio movement recommendations above pre set limits;
- Reviewing of the internal control systems and satisfying that Milton has in place an appropriate risk management framework and setting the risk appetite within which the board expects management to operate;
- Monitoring the effectiveness of the corporate governance practices;
- Appointment of the chair;
- Reviewing the performance of management and the Board itself;
- Approving the remuneration of the senior executives;
- Approving the appointment of senior executives; and
- Making recommendations regarding the election of directors.

Day-to-day management of the company's affairs and the implementation of strategy and policy initiatives are formally delegated by the board to the chief executive.

#### 4. Board composition and independence

The board comprises a majority of independent directors and currently there are five non executive and the managing director.

All of the non executive directors are considered to be independent. Each year the board formally considers the independence of directors taking into account length of service and any other factors that may compromise their exercise of independent judgement. All non executive directors are required to advise the board of any change in circumstances which may affect their independence.

The board is of the opinion that the independence of long serving directors, Messrs R.D. Millner, Graeme L. Crampton and Dr. I.A. Pollard, have not been impeded and they continue to represent all shareholders. As a long term investor Milton benefits from their experience and corporate knowledge they have gained whilst being a director of Milton.

In accordance with the Corporations Act 2001, any director who has an interest of any kind in relation to any matter dealt with at a board or committee meeting is required to advise the meeting and abstain from participation in the decision process.

Mr R.D. Millner remains as Chairman and is considered independent. Mr Millner and the other directors have recognised the potential conflict of interests presented by the Washington H. Soul Pattinson & Company Limited's bid for Milton announced to ASX on 22 June 2021. Accordingly Mr. Millner has absented himself from all Milton board and committee meetings until the bid process is concluded and during that period Mr. Graeme L. Crampton, the Chair of the Audit & Risk Committee is acting as Chairman.

The names of the current directors, the date of their appointment and their qualifications are set out below.

Name of Director	Length of service as at 30 June 2021	Qualifications
Non executive and independent		
Mr. Robert D. Millner	22 years 11 months	FAICD
Mr. Graeme L. Crampton	12 years 1 month	B.Ec, FCA, FAICD
Mr. Kevin J. Eley	9 years 7 months	CA, F Fin, FAICD
Dr. Ian A. Pollard	22 years 11 months	BA (Macq), MA (Oxon), D Phil (IMC), FIAA, FAICD
Ms. Justine E. Jarvinen	3 Year 11 months	BE (Chem), F Fin, GAICD
Executive and non independent		
Mr. Brendan O'Dea	2 year 11 months	B.Ec. M.Bus, CA, MAICD

All board members are well qualified and highly experienced in their respective fields. The board considers that individually and collectively, the directors have an appropriate mix of skills, experience and expertise to enable the board to meet both the current and future challenges of Milton.

### Skills Matrix

Category	Number of Directors with these skills (Currently 6 Directors)
Investment management	6/6
Industry expertise such as banking, insurance, retail, mining, primary production, telecommunications, energy, engineering and utilities	Collective
Corporate strategy	6/6
Finance, accounting and tax	3/6
Actuarial	1/6
Technology	1/6
Governance and risk management	6/6
Mergers and acquisitions	5/6

## 5. Committees

The board has established committees to assist it in carrying out its responsibilities. The roles and responsibilities of these committees have been approved by the board and are detailed in their charters which are available on Milton's web site.

### *Audit & Risk Committee:*

The Audit & Risk Committee, consisting of at least three independent directors, reviews the effectiveness of the risk management and internal controls, the reliability of financial information and the appointment and effectiveness of the external auditor. The committee for the 2020/21 year comprised Mr. G.L. Crampton (Chair), Mr. K.J. Eley and Dr. I.A. Pollard.

To assist in this function, the committee may invite the external auditor and senior executives to report to meetings. Any significant non-audit services to be provided by the external auditors must be approved in advance by the Audit & Risk Committee. The Audit & Risk Committee considers that the provision of those non-audit services provided to date by the external auditor would not affect the auditor's independence.

The latest review of the risk management framework and internal control systems and processes in relation to the 2020/21 financial year was carried out by the Audit & Risk Committee in June 2021.

### *Investment Committee:*

The Investment Committee, consisting of three independent directors, the managing director meets regularly to review the investment portfolio, to consider management's recommendations and to make investment decisions within defined limits. The committee consists of Messrs. R.D. Millner, K.J. Eley, B. O'Dea and Ms. J.E. Jarvinen. All directors may attend the Investment Committee meetings. The defined limits are reviewed by the board from time to time.

### *Nomination Committee:*

The Nomination Committee consists of those directors who are not retiring and seeking re-election. The committee for 2020/21 financial year consists of Dr. I.A. Pollard, Mr. B.J. O'Dea and Ms. J.E. Jarvinen. The Committee is chaired by Dr. I.A. Pollard who is an independent director. Messrs. R.D. Millner, G.L. Crampton and K.J. Eley who are due to retire in accordance with the company's constitution will be standing for re-election at the next annual general meeting.

All non-executive directors are subject to re-election at least every three years. The Nominations Committee reviews the composition of the board annually and makes recommendations on the appropriate skill mix, personal qualities, expertise and diversity. The committee also makes recommendations to the board regarding the election of directors by shareholders.

Nominations Committee is also responsible for conducting the annual review of the performance of the board as a whole and its committees in accordance with Milton's Performance Evaluation policy. The latest such performance review was conducted by the Nominations Committee in June 2021.

#### *Remuneration Committee:*

The Remuneration Committee for 2020/21 consists of Mr. G.L. Crampton (Chair) and Dr. I.A. Pollard who are independent directors.

The committee formally reviews the performance of the managing director and each year it makes specific recommendations to the board on remuneration packages and other terms of employment for senior executives and directors.

The latest performance reviews of the managing director and senior executives were conducted in June 2021.

## **6. Director Appointment and induction**

The board is responsible for the selection and appointment of new directors after the appropriate background checks have been made.

All directors are subject to re-election at least every three years. Any director (except the Managing Director) who has been appointed during the year must stand for election at the next annual general meeting (AGM).

In accordance with Milton's induction programme new directors are provided with a formal letter of Appointment, Deed of Indemnity, Insurance and Access agreement, Constitution, Corporate Governance Statement and related charters and policies. Milton has written agreements with each of its directors which details their terms of appointment.

New directors are encouraged to meet with management and attend all committee meetings to develop a deep understanding of the operation of the company.

Ongoing director professional development is facilitated through regular management presentations on key business functions as well as statutory and regulatory updates. Services of external consultants are engaged to cover specific topics of interest areas as and when required.

Independent professional advice may be sought by a director at Milton's expense with the prior approval of the chairman. A copy of advice received by the director is made available to the chairman to be dealt with at his discretion.

## **7. Diversity**

The board has established a diversity policy, which is available on Milton's website.

The policy acknowledges the advantages of gender diversity as well as diversity of age and skills.

The key element of the diversity policy is that Milton will seek the best person with the appropriate characteristics that is available for the position and will not discriminate against candidates on the grounds of gender, age, ethnicity or cultural background.

In relation to the appointment of each new director, the board will consider a broad range of candidates and seek to appoint the person that would best complement the collective skills, experience and diversity of the current directors.

Milton is committed to have an inclusive workplace and hence discrimination, harassment, vilification and victimisation are not tolerated.

Milton considers gender diversity whenever the opportunity arises and appointment of a director will always be based on the relative merits of the candidates. At the time of this report, there were four male non-executive directors and one female non-executive director.

Milton has diversity amongst its employees with women representing 40% of total employees and 25% of senior executives. Senior executive positions at Milton include CEO, CFO and two investment managers responsible for making investment portfolio recommendations. The team members have different backgrounds, age and experience.

## **8. Company Secretary**

Mr. Nishantha Seneviratne is the Company Secretary and Chief Financial Officer of Milton having overall responsibility for company secretarial, finance and governance functions.

The Company Secretary is directly accountable to the Board, through the Chair on all matters relating to the proper functioning of the Board.

## **9. Continuous disclosure and shareholder communication**

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX listing rules.

The board reviews and approves all announcements to the ASX, except for the monthly net asset backing announcements which are reviewed by the Chief Financial Officer and the Managing Director. Copies of all material market announcements are distributed to all directors promptly after they have been made.

Where the company gives any new and substantive investor or analyst presentation, the company must release a copy of the presentation material on the ASX market announcement Platform ahead of the presentation.

Milton has established a website to enhance communication with its shareholders and potential investors. The website contains historical information, copies of all information disclosed to the ASX and a corporate governance section that includes details of the various committee charters and policies. Shareholders, who have advised Milton of their email addresses, are notified by email of all announcements to the ASX. The Milton communications policy is available on Milton's website.

## **10. Risk management**

The managing director and chief financial officer report annually to the Audit & Risk Committee on Milton's risk management system.

A written declaration in relation to the 2020/21 financial year has been provided to the board by the managing director and chief financial officer stating that, in their opinion, the financial records of Milton 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 Milton and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.

The board considers an internal audit function is not necessary due to the nature and size of Milton's operations. The external auditors report to the Audit & Risk Committee on risk management issues identified during the course of the audit. The risk management policy is available on Milton's website.

Milton is not directly exposed to material environmental and social sustainability risks. However, Milton may have indirect exposure through its investments in companies that have material exposure to such risks. Milton regularly evaluates its overall risks of its existing investments as well as potential investments. Assessment of economic, environmental and social sustainability risks of companies in which Milton invests forms part of Milton's overall evaluation of performance of its investments.

## **11. Trading policy in relation to listed securities**

Milton has developed a trading policy to ensure directors and employees comply with insider trading provisions of the Corporations Act and to avoid the risk they are perceived to have traded while in the possession of insider information.

The trading policy is provided to all directors and employees so that they are aware of the restrictions that apply to them in relation to their dealing in securities.

The trading policy is available on the Milton webpage at [milton.com.au/governance](http://milton.com.au/governance)

## **12. Whistle-blower Policy**

Milton has a Whistle-Blower Policy which is disclosed in the company's website and can be accessed via : [milton.com.au/Shareholders/Charters & Policies](https://milton.com.au/Shareholders/Charters & Policies).

The aim of Milton's Whistle-blower Policy is to;

- Encourage reporting of any suspected unethical, illegal, fraudulent conduct;
- Inform whom to report to and how to report concerns confidentially without fear of intimidation or disadvantage or reprisal;
- Inform how Milton will investigate whistle-blower reports.

This policy is reviewed every two years to ensure the policy remains relevant and consistent with the legislative requirements.

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

Milton has an Anti-Corruption and Bribery policy, which is disclosed in the company's website and can be accessed via: [milton.com.au/Shareholders/Charters & Policies](https://milton.com.au/Shareholders/Charters & Policies).

The purpose of this policy is to establish controls to ensure compliance with all applicable anti-corruption and bribery regulations, and to ensure that Milton's business is conducted in a socially responsible manner that upholds Milton's core values.