



**ASX ANNOUNCEMENT**

**FOR IMMEDIATE RELEASE TO THE MARKET**

**PPK Group Limited – ASX Code: PPK**

**Thursday 24 August 2023**

**Corporate Governance Statement  
Appendix 4G – Key to Corporate Governance Disclosures**

Please find attached the following:

- Corporate Governance Statement; and
- Appendix 4G Key to Disclosures, Corporate Governance Council Principles and Recommendations.

Authorised by the PPK Group Board.

For further information contact:

**Robin Levison**

Chairman of PPK Group Limited

On 07 3054 4500

**Marc Fenton**

Chief Executive Officer of PPK Group Limited

On 3054 4500

**PPK GROUP LIMITED**

ABN: 65 003 964 181

Level 27, 10 Eagle St, Brisbane QLD 4000

GPO Box 754, Brisbane Qld 4001

Tel: +61 7 3054 4500 Fax: +61 7 3054 4599



## CORPORATE GOVERNANCE STATEMENT

*This statement has been approved by the Board of the Company.*

*The statement has been prepared as at 22 August 2023 with reference to the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.*

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### RECOMMENDATION 1.1

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

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

The Board of Directors has been charged by shareholders with overseeing the affairs of the Company to ensure that they are conducted appropriately and in the interests of all shareholders. The Board defines the strategic goals and objectives of the Company, as well as broad issues of policy and establishes an appropriate framework of corporate governance within which the Board members and management must operate. The Board reviews, monitors and challenges management holding them to account for the Company's performance. The Board has also taken responsibility for establishing control and accountability systems/processes and for monitoring senior management performance and implementation of strategy.

The roles and responsibilities of the Board are set out in the Board Charter which is available on the Company's website. Among other things the Board Charter sets out the role and responsibilities of the chair of the Board.

In pursuit of its stated goal, the Board is responsible under the Board Charter for:

- (a) oversight of the Company, including its control and accountability systems;
- (b) setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- (c) appointing, removing, and controlling the CEO or Managing Director;
- (d) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and/or Company Secretary;
- (e) input into and final approval of management's development of corporate strategy and performance objectives;
- (f) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance and ensuring that these instil the Company's values;
- (g) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- (h) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- (i) approving and monitoring financial and other reporting; and
- (j) corporate governance.

The Board has delegated operational authority to the Chairman and his management team (including the Chief Operating Officer) during the reporting period, who were charged with the day to day running and administration of the Company consistent with the strategic objectives and policies as set down by the Board. Within this framework, the Chairman was directly accountable to the Board for the performance of the management team, including the COO. With the promotion of Marc Fenton from Chief Operating Officer to Chief Executive Officer on and from 1 July 2023, the Company continues to reassess and refine this structure.

## **RECOMMENDATION 1.2**

**A listed entity should:**

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

The Company undertakes background checks before the appointment of a new director or senior executive. The Company undertakes appropriate checks using a paid third party service before it appoints a person, or puts forward to shareholders a new candidate for election, as a Director. These checks vary depending on the circumstances, but include references as to the person's character, experience and education. The Company does not generally check criminal records for potential new Board members however may consider such checks where necessary or appropriate in the future.

The Company will include all material information in its possession relevant to a decision whether or not to elect or re-elect a Director in the relevant Notice of Meeting, including biographical details, relevant qualifications, experience, skills and other material directorships currently held. Information relating to each of the Directors is also provided on the Company's website.

## **RECOMMENDATION 1.3**

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

The Company has established written agreements with its non-executive Directors and each senior executive which set out the terms of their appointment.

Directors are not appointed for a fixed term but are, excluding any Managing Director, subject to re-election by shareholders at least every three years in accordance with the Constitution of the Company.

A Director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next annual general meeting of shareholders and must then retire.

Prior to their appointment, potential Directors participate in induction initiatives and are advised of the time commitment envisaged based on scheduled monthly Board meetings and committee involvement as may be required. They are also advised on remuneration entitlements, their right to seek independent legal advice at the expense of the Company (subject to the Chairman's approval) and indemnity and insurance arrangements, and their confidentiality obligations.

## **RECOMMENDATION 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.**

Each Company Secretary has been appointed on the basis that he will be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

All Directors of the Board have access to the Joint Company Secretaries who are appointed by the Board. Each Company Secretary reports to the Chairman, in particular on matters relating to corporate governance and the day-to-day functioning of the Board.

## **RECOMMENDATION 1.5**

**A listed entity should:**

- (a) have and disclose a diversity policy;**
- (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;**
- (c) disclose in relation to each reporting period:**
  - (1) the measurable objectives set for that period to achieve gender diversity;**
  - (2) the entity's progress towards achieving those objectives; and**
  - (3) either:**
    - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or**
    - (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the most recent "Gender Equality Indicators", as defined in and published under that Act.**

**If the entity was in the S&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.**

The Company has established a Diversity Policy which is available on the Company's website.

The Company is committed to an inclusive workplace that embraces and promotes diversity. The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice.

Diversity at the Company refers to all the characteristics that make individuals different from each other. It includes characteristics or factors such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference.

The Company values the unique contributions made by people with diverse backgrounds, experiences and perspectives, and believes that greater diversity of thought throughout the organisation will lead to more informed decision making and ultimately better business outcomes.

The Company's policy is to recruit and manage its employees on the basis of their competence, performance and potential, regardless of the individual's background or points of difference.

Diversity at PPK is about the commitment to equality and the treating of all individuals with respect.

The Company is committed to promoting a culture of diversity in the workplace by:

- recruiting and managing on the basis of an individual's competence and performance;
- respecting the unique attributes that each individual brings to the workplace;
- fostering an inclusive and supportive culture to enable people to develop to their full potential;
- taking action to prevent and stop bullying, discrimination or harassment;
- rewarding and remunerating fairly;
- offering flexible work practices which recognise that employees may have different domestic responsibilities throughout their career; and
- maintaining policies and procedures to provide employees at all levels of the Company with guidelines for behaviour.

The Company's commitment to diversity forms part of the Company's culture dedicated to retaining the best qualified employees, management and Board. The Company's commitment applies in all phases of employee engagement including recruitment, selection, development, promotion, rewards and remuneration.

The Board acknowledges the benefits of and will seek to achieve diversity during the process of employment at all levels without detracting from the principal criteria for selection and promotion of people to work within the Company based on merit. The Company is not a relevant employer under the Workplace Gender Equality Act. The Company was in the S&P / ASX 300 Index at the commencement of the reporting period, but was removed from that index during the period. The Company had a target of 30% female representation on its Board, however only a figure of 25% was achieved.

Currently:

- there is one woman on the Board of four; and
- there is one woman in a senior management position, defined as anyone who reports directly to the Chair or the CEO.

## **RECOMMENDATION 1.6**

**A listed entity should:**

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

The Board has an established process of self-review and evaluation which involves regular and on-going consideration of all the Board's key areas of responsibility and accountability. Relevant matters considered in the assessment of Board and individual Director performance are set out in detail in the Performance Evaluation Processes which is available on the Company's website.

The Chairman meets periodically with individual Directors to discuss the performance of the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of Directors retiring by rotation prior to the Board endorsing their candidature. Where the Chairman is retiring by rotation, his evaluation is undertaken by the Executive Director. This occurred most recently prior to the AGM held in November 2022.

The review process involves consideration of all of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability, skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the overall management of the business.

The Board believes that this approach remains appropriate given its size and the nature of the Company's operations.

## **RECOMMENDATION 1.7**

**A listed entity should:**

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

The Board reviews and establishes the Company's performance objectives and measures based on qualitative and quantitative factors. The objectives established become the performance targets for senior management.

The Chairman, in consultation with the Board, establishes the performance objectives of senior management based on the desired business outcomes.

The Chairman (in conjunction with the Remuneration and Nomination Committee) makes recommendations to the full Board on the remuneration of senior management which are reviewed and approved by the Board.

The Board is responsible for approving the performance objectives and measures for senior management and assessing whether these objectives have been satisfied.

A formal performance evaluation of senior management was undertaken in September 2022. The Board expects to conduct a further performance evaluation in September 2023.

## **PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

### **RECOMMENDATION 2.1**

**The Board of a listed entity should:**

- (a) have a nomination committee which:**
  - (1) has at least three members, a majority of whom are independent directors, and**
  - (2) is chaired by an independent director;****and disclose:**
  - (3) the charter of the committee**
  - (4) the members of the committee; and**
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a nomination committee, disclose that fact and the 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.**

The Board adopted a formal remuneration and nomination committee in December 2021 and the charter for that committee is disclosed on the Company's website.

During the reporting period, the committee was comprised of Mr McDonald, Mr Levison and Ms Birkill. It was chaired by Mr Tony McDonald, a non-executive independent director. During the reporting period, the committee therefore had at least three members (a majority of whom were independent directors).

The Committee met three times during the reporting period and all members attended each meeting.

Where a vacancy arises or it is considered appropriate to vary the composition of the Board of Directors, the full Board generally participates in any review of the Board's composition and the qualifications and experience of candidates on recommendation by the committee. Directors are selected upon the basis of their specialist skills and business background so as to provide an appropriate mix of skills, perspective and business experience.

## **RECOMMENDATION 2.2**

**A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.**

The Board has made use of a formal Board skills matrix which takes into account the length of service on the Board, age, skills, qualifications and experience of the Directors. The nomination committee and Chairman made reference to the board skills matrix during previous deliberations on a refresh of the Board composition.

The Board has a broad background of experience in strategic investment, publicly listed companies, innovative technologies, manufacturing, investment strategies, technology commercialisation, technology incubation, international markets, governance and compliance, legal, finance and accounting, risk management, business development and associated disciplines.

## **RECOMMENDATION 2.3**

**A listed entity should disclose:**

- (a) the names of the directors considered by the board to be independent directors;**
- (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and**
- (c) the length of service of each director.**

At 30 June 2023, the Board was comprised of four Directors. Questions of independence are determined by reference to the Independent Director Assessment Policy, which was updated in June 2022. A copy of the updated policy is available on the Company's website.

Mr Anthony McDonald is considered to be independent as the Directors (other than Mr McDonald) consider that he is free from any business or other relationship that could materially interfere, or reasonably be perceived to interfere, with the independent exercise of his judgement.

Ms Birkill is also considered to be an independent Director as the Directors (other than Ms Birkill) consider that she is free from any business or other relationship that could materially interfere, or reasonably be perceived to interfere, with the independent exercise of her judgement.

Mr Robin Levison was the Chairman of the Company during the reporting period, is involved in its day to day management and is also a significant shareholder. Accordingly, he is not considered to be an independent Director.

Mr Glenn Molloy is an executive Director and accordingly is not considered to be an independent Director.

The Board observes a number of practices to ensure that independent judgement is applied

when considering the business of the Board:

- (i) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld;
- (ii) Directors having a conflict of interest with an item for discussion by the Board must not participate in the consideration of or the vote in respect of that matter; and
- (iii) the Company is currently conducting an audit of all previously disclosed conflicts of interest.

Details of each Directors' experience and length of service can be found on the Company's website and are also reported in the Company's Financial Report on an annual basis.

#### **RECOMMENDATION 2.4**

**A majority of the board of a listed entity should be independent directors.**

As at 30 June 2023 the Company did not comply with this recommendation as the Board was comprised of 4 Directors, of which 2 are independent Directors.

The Board is cognisant of its obligation to act in the best interests of the Company and its shareholders generally.

#### **RECOMMENDATION 2.5**

**The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.**

The Chairman Mr Robin Levison is not considered to be an independent Director due to his involvement in the day-to-day management of the Company and significant shareholding. Accordingly the Company does not comply with this recommendation.

#### **RECOMMENDATION 2.6**

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

The Company provides new Directors with an induction package including copies of the Board Charter and relevant policies and procedures.

Directors are encouraged to pursue appropriate professional development opportunities to develop and maintain their skills and knowledge in order to perform their role as Directors effectively.

All Board members have access to professional independent advice at the Company's expense, provided they first obtain the Chairman's approval, with such approval not being withheld unreasonably.

### **PRINCIPLE 3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

#### **RECOMMENDATION 3.1**

**A listed entity should articulate and disclose its values.**

The Board recognises the need to have the highest standards of corporate practice and business conduct. Accordingly, the Board's core values are set out in the Code of Conduct for Directors &

Officers and a Code of Conduct & Ethics for all employees as noted in the commentary on recommendation 3.2 below.

### **RECOMMENDATION 3.2**

**A listed entity should:**

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and**
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.**

The Board has adopted a Code of Conduct for Directors & Officers of the Company to demonstrate the commitment of the Directors and senior management to ethical practices and the highest standards of integrity in the fulfilment of their respective roles and responsibilities. It outlines the expectations of the Directors and their employees, their legal obligations and responsibility to investigate and report unethical practices.

The Board has adopted a Code of Conduct & Ethics which is applicable to all employees and which the Board expects to govern the way in which the Company's employees conduct themselves in the performance of their respective duties and in communicating with the stakeholders of the Company's business.

The Code of Conduct for Directors & Officers and the Code of Conduct & Ethics are available on the Company's website.

The Board adopted an update to the Security Trading Policy in June 2022 which governs Director and employee dealing in Company's securities, the purpose of which is to guide Directors and employees in the performance of their duties and to define the circumstances in which Directors and the Company's employees, and their respective associates, are permitted to deal in the Company's securities. A copy of the updated policy is available on the Company's website.

The Board will be informed of any material breaches of those codes.

### **RECOMMENDATION 3.3**

**A listed entity should:**

- (a) have and disclose a whistleblower policy; and**
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly, with integrity, and in compliance with all applicable laws, rules and regulations. In addition, the Company encourages reporting of actual and suspected violations of the Company's code of conduct or other instances of illegal, unethical or improper conduct. The Board provides effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy and a copy is available on the Company's website.

Any reportable matter can be reported under this policy to the Chairman or an immediate supervisor, noting it may depend on the matter and the person who is the subject of the matter. The Board will be informed of any material incidents reported under that policy, subject to the confidentiality provisions of that policy.

## **RECOMMENDATION 3.4**

**A listed entity should:**

- (c) have and disclose anti-bribery and corruption policy; and**
- (d) ensure that the board or a committee of the board is informed of any material breaches of that policy.**

The Board is committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues. The Board adopted an Anti-Bribery and Corruption Policy in December 2021 and a copy is available on the Company's website.

The Board has overall responsibility for ensuring this policy will comply with the Company's legal and ethical obligations, and that all personnel comply with it. Once in place, the Board will be informed of any material incidents reported under this policy and employees will be encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage.

## **PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

### **RECOMMENDATION 4.1**

**The board of a listed entity should:**

- (a) have an audit committee which:**
  - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
  - (2) is chaired by an independent director, who is not the chair of the board, and disclose:**
    - (3) the charter of the committee;**
    - (4) the relevant qualifications and experience of the members of the committee; and**
    - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**

During the reporting period, the Audit and Risk Committee was comprised of Mr. Robin Levison (Committee member), Ms Anne-Marie Birkill (Committee member and independent Director) and Mr. Anthony McDonald (Committee Chairman and independent Director). The committee was therefore comprised of at least three members, all of whom are non-executive and the majority of whom are independent.

The Board adopted an update to the Charter for the Audit and Risk Committee in December 2021. The Audit and Risk Committee Charter sets out in detail the purpose, composition and membership, meeting procedures, roles and responsibilities of the committee and the authorities of the committee. The Audit and Risk Committee Charter is available on the Company's website.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an annual basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

## **RECOMMENDATION 4.2**

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

During the reporting period, the Chairman and the Chief Financial Officer reported in writing to the Board on a yearly and half-yearly basis to confirm that:

- (i) the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards;
- (ii) the Company's financial statements are complete and present a true and fair view of the financial condition and performance of the Company; and
- (iii) the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal controls are operating effectively in all material respects.

It is expected that going forward this report will be provided by the Chief Executive Officer rather than the Chairman.

## **RECOMMENDATION 4.3**

**A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.**

The Board reviews any periodic corporate reports, obtains validation of information it considers necessary and appropriate before releasing it to the market. Validation may include detailed review of management's assessment of information presented and/or independent review by a third party with the appropriate knowledge and expertise.

## **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

### **RECOMMENDATION 5.1**

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

The Board is committed to keeping its shareholders, and the market, fully informed of major developments having an impact on the Company. The Company has a Market Disclosure Policy which is available on the Company's website.

Comprehensive procedures are in place to identify matters that are likely to have a material effect on the price, or value, of the Company's securities and to ensure those matters are notified to the ASX in accordance with ASX Listing Rule disclosure requirements.

Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

The Company Secretary is responsible for all communications with the ASX.

## **RECOMMENDATION 5.2**

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

All announcements on the ASX Market Announcements Platform are electronically updated to the Company's website and all Directors receive a copy of any announcements.

## **RECOMMENDATION 5.3**

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

All investor or analyst presentations are approved by the Chairman or a Director and provided to the Company Secretary for lodgement on the ASX Market Announcements Platform before a presentation occurs.

## **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

### **RECOMMENDATION 6.1**

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

Information about the Company and its governance are available on the Company's website. The Company's website provides detailed corporate information and has a specific section relating to corporate governance.

### **RECOMMENDATION 6.2**

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

The Company recognises the right of shareholders to be informed of matters, in addition to those prescribed by law, which affect their investments in the Company.

The Company has a formal Shareholder Communication Policy which is available on the Company's website.

The Company communicates information to shareholders through:

- disclosures to the ASX including the Company's Annual Report;
- notices and explanatory memoranda of annual general meetings and general meetings; and
- the Company's website at [www.ppkgroup.com.au](http://www.ppkgroup.com.au).

It is the Company's communication policy to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.

Investors and other stakeholders are invited to subscribe to an email alert facility on the Company's website so that they can receive material announcements which have been released by the Company to the market via an email in a timely manner.

### **RECOMMENDATION 6.3**

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

The Board encourages active participation by shareholders at each Annual General Meeting, or other general meetings of the Company.

The Company does not have formal policies or processes in place to facilitate or encourage participation at shareholder meetings. The Company will despatch a Notice of Meeting and Explanatory Statement to shareholders in accordance with statutory requirements. In addition details of any shareholder meeting will be posted on the Company's website. Ordinarily, that notice of meeting will invite shareholders to submit questions in advance of the meeting.

At any meeting of shareholders, shareholders are encouraged to ask questions in person of the Board in relation to the matters to be considered at such meeting and where appropriate relating to the business and operations of the Company. The Company's auditor will attend the Annual General Meeting and will be available to answer shareholders' queries.

### **RECOMMENDATION 6.4**

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

The Board encourages security holders who do not plan to attend a meeting to vote via a proxy form online, by email or mail for substantive resolutions. The Directors will monitor the response from security holders prior to the closing date for receipt of proxies and will follow up with large shareholders to encourage them to vote.

At shareholder meetings, the chair will seek a poll rather than a show of hands to determine to voting outcome.

### **RECOMMENDATION 6.5**

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

The Company provides shareholders with the option to receive communications from, and send communications to, the entity and its security registry electronically. The Company encourages shareholders to continue to assess whether their communication preferences remain appropriate.

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

### **RECOMMENDATION 7.1**

**The board of a listed entity should:**

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

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

**at those meetings; or**

- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.**

As noted above, in December 2021, the Board expanded the existing Audit Committee to cover audit and risk. A copy of the Audit and Risk Committee Charter is available on the Company's website.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an annual basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

In January 2022, the Company appointed Mr Marc Fenton as Chief Risk Officer. Mr Fenton has since been promoted to Chief Executive Officer, however he retains executive responsibility for risk.

The full Board of the Company maintains overall governance responsibility for risk through its oversight of that committee.

The Board adopted an update to the Risk Oversight & Management Framework in December 2021 and a copy of that updated framework is available on the Company's website. In accordance with this framework the Board:

- recognises that effective management of risk is an integral part of good management and vital to the continued growth and success of the Company;
- is responsible for the oversight of the Company's risk management and control framework including the development of risk profiles as a part of the overall business and strategic planning process; and
- has implemented policies designed to ensure that the Company's risks are identified, analysed, evaluated, monitored, and communicated within the organisation on an on-going basis, and that adequate controls are in place and functioning effectively.

The Risk Oversight & Management Framework incorporates the maintenance of appropriate policies, procedures and guidelines which address the Company's operating environment and is utilised by the Board as a means of identifying the:

- (a) strengths, weaknesses, opportunities and threats influencing, or having the potential to influence, the Company's business divisions; and
- (b) appropriate oversight strategies to implement in respect of the key risk and opportunity factors confronting each operating division of the Company to avoid or mitigate losses.

The Risk Oversight & Management Framework is utilised by the Board as a means of identifying opportunities and avoiding or mitigating losses in the context of its businesses.

During the reporting period, the Chairman had ultimate operational responsibility for control and management of operational risk and the implementation of avoidance or mitigation measures and may delegate control of these risks to the appropriate level of management at each site.

The Board regularly monitors the operational and financial performance of the Company against budget and other key performance measures. The Board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with

management, to mitigate those risks.

Reports are presented to the Board by the Chairman, the Chief Operating Officer, Chief Financial Officer and relevant senior management on a regular basis. The reports encompass matters including actual financial performance against budgeted forecasts, workplace health and safety, legal compliance, corporate governance, strategy, quality assurance and standards, human resources, industry and market information, operational developments and environmental conformance.

In addition to formalised written reporting procedures, the Board is regularly briefed by the Chairman, the Chief Operating Officer, the Chief Financial Officer and senior management on emerging or developed trends in market and operational conditions having the potential to impact on the overall performance of the Company.

## **RECOMMENDATION 7.2**

**The board or a committee of the board should:**

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

As noted above, the Board reviewed the entity's risk management framework in December 2021 and adopted an update to the Risk Oversight & Management Framework. The appointment of Mr Fenton as Chief Risk Officer in January 2022 (now Chief Executive Officer) was a key output of that review.

The Chairman and the Chief Financial Officer review and confirm to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively twice annually when half-yearly and year- end financial statements are prepared. It is expected that going forward this report will be provided by the Chief Executive Officer rather than the Chairman.

The Audit and Risk Committee holds additional ad hoc meetings throughout the year to receive updates on risk matters from the Chief Executive Officer.

## **RECOMMENDATION 7.3**

**A listed entity should disclose:**

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

In light of the nature and extent of the Company's operations and activities, the Company has not established a formal internal audit function.

The Board continuously reviews the activities of the Company to identify key business and operational risks and has implemented policies and procedures to address such risks and to establish appropriate internal control processes.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

## **RECOMMENDATION 7.4**

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

The Board manages economic, environmental and social risks that it has identified with the objective of positioning the Company to operate without compromising the health of the ecosystems in which it operates. The Company's approach is also set out in the Environment Policy, which is available on the Company's website.

The Board is equally conscious of ensuring that it conducts its business in a manner that meets accepted social norms and needs.

Areas of economic risk that have been identified by the Company include:

- research and development risk relating to innovative technologies;
- commercialisation of new technologies;
- current and potential competitors in a rapidly changing environment;
- manufacturing limitations and constraints;
- marketing and demand for new products;
- domestic and international economic conditions;
- material and sustained interest rate and foreign exchange fluctuations;
- sustainability of the resources sector;
- the price of and demand for coal and their consequent impact on clients
- changes in the commercial and industrial property market;
- retention of technical and management skill and up to date technology; and
- asset protection including intellectual property.

The Board does not otherwise believe that the Company has material exposure to environmental or social risks.

The Company promotes the highest ethical and professional standards. As a company with a reputation for fair and responsible dealing with stakeholders (including security holders, customers, employees and government regulatory authorities) the Board demands that the highest standard of ethical behaviour be maintained and fostered throughout the Company. The Company requires a culture and system of compliance and accountability to be maintained throughout the Company and for all employees to take pride in this underlying ethical basis of the organisation, acting legally and responsibly in all matters.

The Company seeks to comply with the spirit as well as the letter of all applicable laws and regulations (both domestic and foreign) and where appropriate evaluate actions in a broader social context while still conducting its businesses in an efficient, well-ordered and systematic manner, giving due consideration to the goal of maximising returns for its shareholders. The Company is pleased to release its second Sustainability Report for the year ending 30 June 2023, which will form part of its annual report and will be made available separately through its website.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

### **RECOMMENDATION 8.1**

**The board of a listed entity should:**

- (a) have a remuneration committee which:**
- (1) has at least three members, a majority of whom are independent directors;**
- 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.

As noted above, the Board established a formal remuneration committee in December 2021. A copy of the Charter for that committee is available on the Company's website.

The committee is comprised of Mr McDonald, Ms Birkill and Mr Levison. It is chaired by Mr Tony McDonald, a non-executive independent director. The committee therefore had at least three members, a majority of whom were independent directors.

The Committee met three times during the reporting period and all members attended each meeting.

The Company is committed to ensuring that remuneration is appropriate and not excessive.

## **RECOMMENDATION 8.2**

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

The Company adopted an update to its formal Remuneration Policy in December 2021 and a copy of that updated policy is available on the Company's website.

The aggregate remuneration of non-executive Directors is approved by shareholders. Individual Directors' remuneration is determined by the Board within the approved aggregate total. In determining the appropriate level of Director's fees, data from surveys undertaken of other public companies similar in size or market section to the Company is taken into account.

Non-executive Directors of the Company are:

- not entitled to participate in performance based remuneration practices unless approved by shareholders; and
- currently remunerated by means of the payment of cash benefits in the form of Directors' fees.

The Company does not currently have in place a retirement benefit scheme or allowance for its non-executive Directors. Executive Directors do not receive Directors' fees. A review of the compensation arrangements for the Chairman, executive Directors and senior management is conducted on a regular basis by the full Board and is based on criteria including the individual's performance, market rates paid for similar positions and the results of the Company during the relevant period.

The broad remuneration policy objective of the Company is to ensure that:

- the Chairman and senior management are aligned with shareholders and business objectives by providing a fixed remuneration component, specific short term incentives

- based on key performance areas that affect the Company's financial results and long term incentives based on achieving specific shareholder value metrics; and
- the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest possible quality and standard in the Company's prevailing circumstances to enable the organisation to succeed.

### **RECOMMENDATION 8.3**

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

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

The Company has put in place a Long Term Incentive Plan (LTIP) which was approved by shareholder at the AGM held in November 2021. The Company prohibits participants in the LTIP entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

The Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or a closely related party of such personnel, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

PPK Group Limited
-------------------

ABN/ARBN

65 003 964 181
----------------

Financial year ended:

30 June 2023
--------------

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: [www.ppkgroup.com.au/site/investor-center/corporate-governance](http://www.ppkgroup.com.au/site/investor-center/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 22 August 2023 and has been approved by the board.

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

Date: 24 August 2023

Name of authorised officer  
authorising lodgement:

WILLIAM SHIEL (Company Secretary)

---

<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 in full for the whole 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"/> We have disclosed a copy of our board charter at: <a href="http://www.ppkgroup.com.au/site/investor-center/corporate-governance">www.ppkgroup.com.au/site/investor-center/corporate-governance</a>	
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"/>	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	

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

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>We have disclosed the evaluation process referred to in paragraph in our Corporate Governance Statement.</p> <p>We have disclosed whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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>We have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement.</p> <p>We have disclosed whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<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>	<input checked="" type="checkbox"/>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<input checked="" type="checkbox"/> We have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement. The length of service of each director is set out in the Company's annual report.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	
<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"/> We have disclosed our values in our Corporate Governance Statement.	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> We have disclosed our codes of conduct at <a href="http://www.ppkgroup.com.au/site/investor-center/corporate-governance">www.ppkgroup.com.au/site/investor-center/corporate-governance</a>	
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"/> We have disclosed our whistleblower policy at <a href="http://www.ppkgroup.com.au/site/investor-center/corporate-governance">www.ppkgroup.com.au/site/investor-center/corporate-governance</a>	
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"/> We have disclosed our antibribery policy at <a href="http://www.ppkgroup.com.au/site/investor-center/corporate-governance">www.ppkgroup.com.au/site/investor-center/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <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 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>	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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>	<input checked="" type="checkbox"/>	
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>	<input checked="" 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 <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 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"/> We have disclosed our continuous disclosure compliance policy at <a href="http://www.ppkgroup.com.au/site/investor-center/corporate-governance">www.ppkgroup.com.au/site/investor-center/corporate-governance</a>	
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"/>	
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"/>	
<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"/> We have disclosed information about us and our governance on our website at <a href="http://www.ppkgroup.com.au/site/investor-center/corporate-governance">www.ppkgroup.com.au/site/investor-center/corporate-governance</a>	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	
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"/>	

## 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 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>		<input checked="" type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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"/> We have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement. We have disclosed how we manage or intend to manage those risks in our Corporate Governance Statement.	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 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>	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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>	<input checked="" type="checkbox"/> <p>We have disclosed 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</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<input checked="" type="checkbox"/> <p>We have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>		
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>		

