



# Corporate Governance Statement 2023

dusk



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# Corporate Governance

The Board is committed to conducting the business of Dusk Group Limited (**dusk** or the **Company**) in accordance with high standards of corporate governance and with a view to creating and delivering value for dusk's Shareholders. To this end, the Board has adopted a system of internal controls, risk management processes and corporate governance policies and practices which are designed to support and promote the responsible management and conduct of dusk.

This Corporate Governance Statement sets out the key features of dusk's corporate governance framework and reports against the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**) for the financial period ending 2 July 2023 (FY23). The Company's corporate governance arrangements were consistent with the Recommendations during FY23, with the exception of ASX Recommendation 8.1, which provides that the board of a listed entity should have a remuneration committee which is chaired by an independent Director. Trent Peterson, who is not an independent Director, is Chair of the Remuneration Committee. The Board is of the opinion that Trent's skills and experience make him suitable for the role and that he will bring objective and independent judgement to the Committee's deliberations.

In accordance with the Recommendations, dusk's policies and charters referred to in this statement have been posted to the corporate governance section of dusk's website: <https://investors.dusk.com.au/offer/governance/>

This Statement is current as at 28 September 2023 and has been approved by the Board.



# Our Values



Our values are set out in our Code of Conduct, and are summarised below.





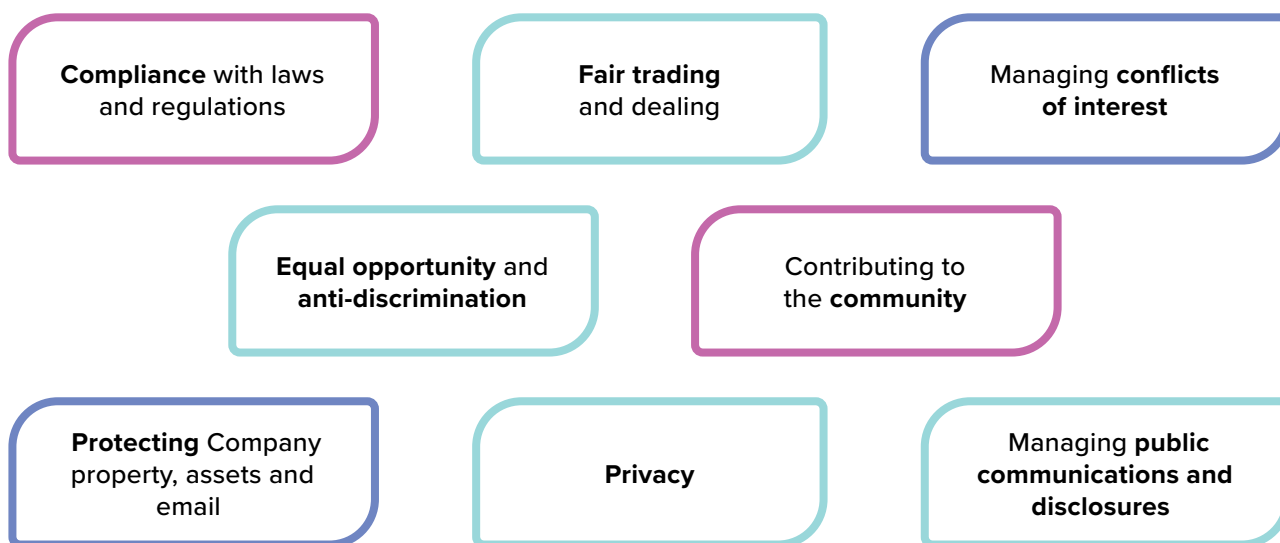
# Our Culture of acting Lawfully, Ethically and Responsibly

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## Code of Conduct

The Board has adopted a formal Code of Conduct which is designed to serve as a guide for how Directors, employees, temporary workers and contractors of the Company should conduct themselves as a member of the dusk team. The Code is aimed at preserving a healthy corporate culture and ensuring compliance with our legal and regulatory duties.

The key principles underpinning the Company's Code of Conduct are:



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

## Anti-Bribery and Corruption

dusk is committed to acting ethically and has zero tolerance for bribery and corruption. In accordance with these commitments, and to support these behaviours, the Company has adopted an Anti-Bribery and Corruption Policy which summarises prohibited conduct and serves as a guide to the Company (and its subsidiaries and affiliate companies over which it exercises control), and all Directors, officers, employees and temporary workers of the Company.

The Board is informed of any material breaches of the Anti-Bribery and Corruption Policy.

## Speak Up Policy

dusk values speaking up and aims to promote a workplace in which everyone feels safe, supported and encouraged to speak up. dusk's Speak Up Policy encourages all employees and non-employees covered by the Policy to report any 'Potential Misconduct' that they may become aware of during their engagement with the Company.

The Board receives reports of material incidents reported under the Company's Speak up Policy.

## Securities Dealing Policy

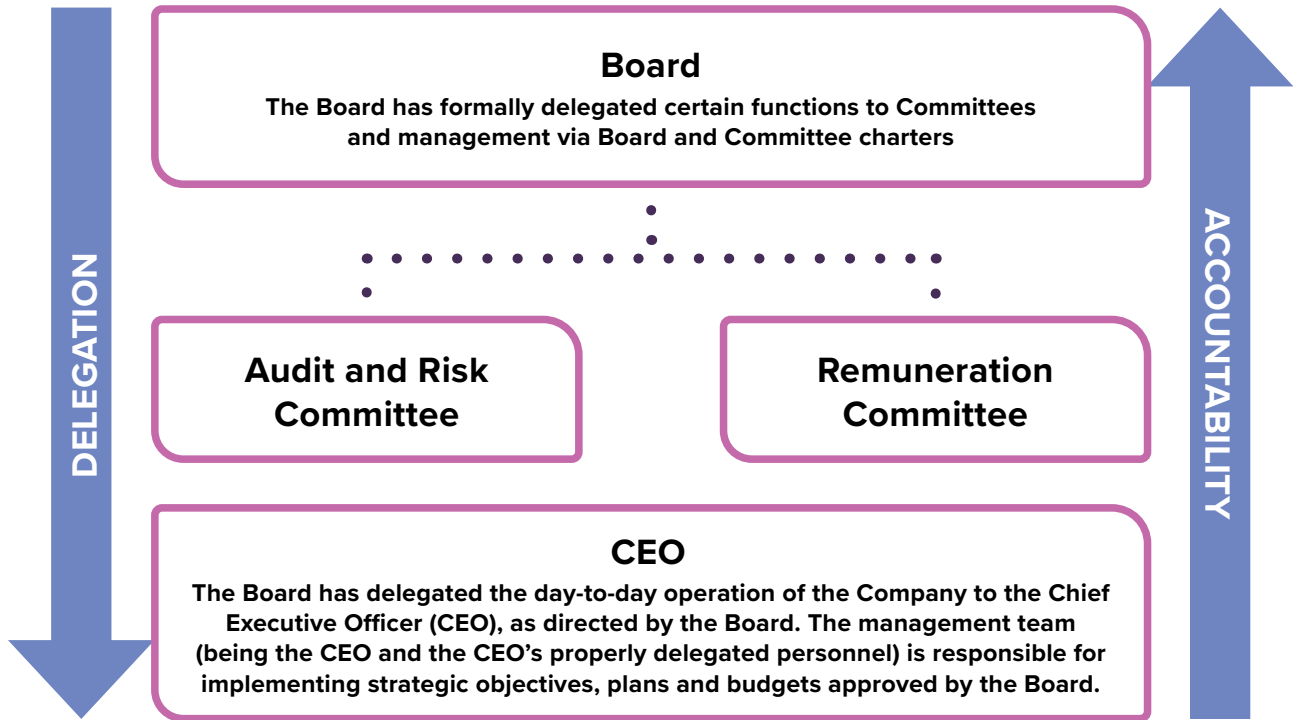
The Company has adopted a Securities Dealing Policy which is intended to ensure that public confidence is maintained in the reputation of dusk and its related bodies corporate, Directors and employees, and in the trading of dusk's securities.

The Policy explains the types of dealings in securities that are prohibited by law, and outlines the procedures for the buying and selling of dusk securities.

The Policy imposes restrictions on transactions which limit the economic risk of participating in equity-based remuneration schemes.

# Our Corporate Governance Framework

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The Board has determined not to have a separate nomination committee. Board succession issues and other matters ordinarily considered by a nomination committee are the responsibility of the Board.

# Our Board of Directors

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## Composition of the Board

As at the date of this statement, the Board is currently comprised of five Directors, comprising a Non-independent Executive Chair and four Non-Executive Directors (three of whom are independent).

During FY23, Peter King was the CEO and Managing Director of the Company until he stepped down on 19 July 2023. On 3 July 2023, John Joyce was appointed Executive Chair to take on CEO responsibilities on an interim basis. John will return to his Non-Executive Chair position once Vlad Yakubson, the incoming CEO and Managing Director, joins the Company, which is scheduled for 9 October 2023.

dusk's current Board of Directors are set out below.

Details of the experience and expertise of each Director, including current and former Directorships, are set out on pages 17 to 19 of the 2023 Annual Report.

Director	Date of appointment	Status
<b>John Joyce</b>		
Chairperson – Non-Executive Chair	22 September 2016	Independent
Chairperson – Executive Chair	3 July 2023	Non-independent
<b>Trent Peterson</b>		
Non-Executive Director	24 November 2014	Non-independent
<b>David MacLean</b>		
Non-Executive Director	19 November 2015	Independent
<b>Tracy Mellor</b>		
Non-Executive Director	16 September 2020	Independent
<b>Katherine Ostin</b>		
Non-Executive Director	16 September 2020	Independent

## Our Board of Directors *continued*

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### The Role Of The Board

dusk is governed by a Board of Directors (the Board) who are elected by the Shareholders with the exception of the Company's Chief Executive Officer (CEO) who is appointed by the Board.

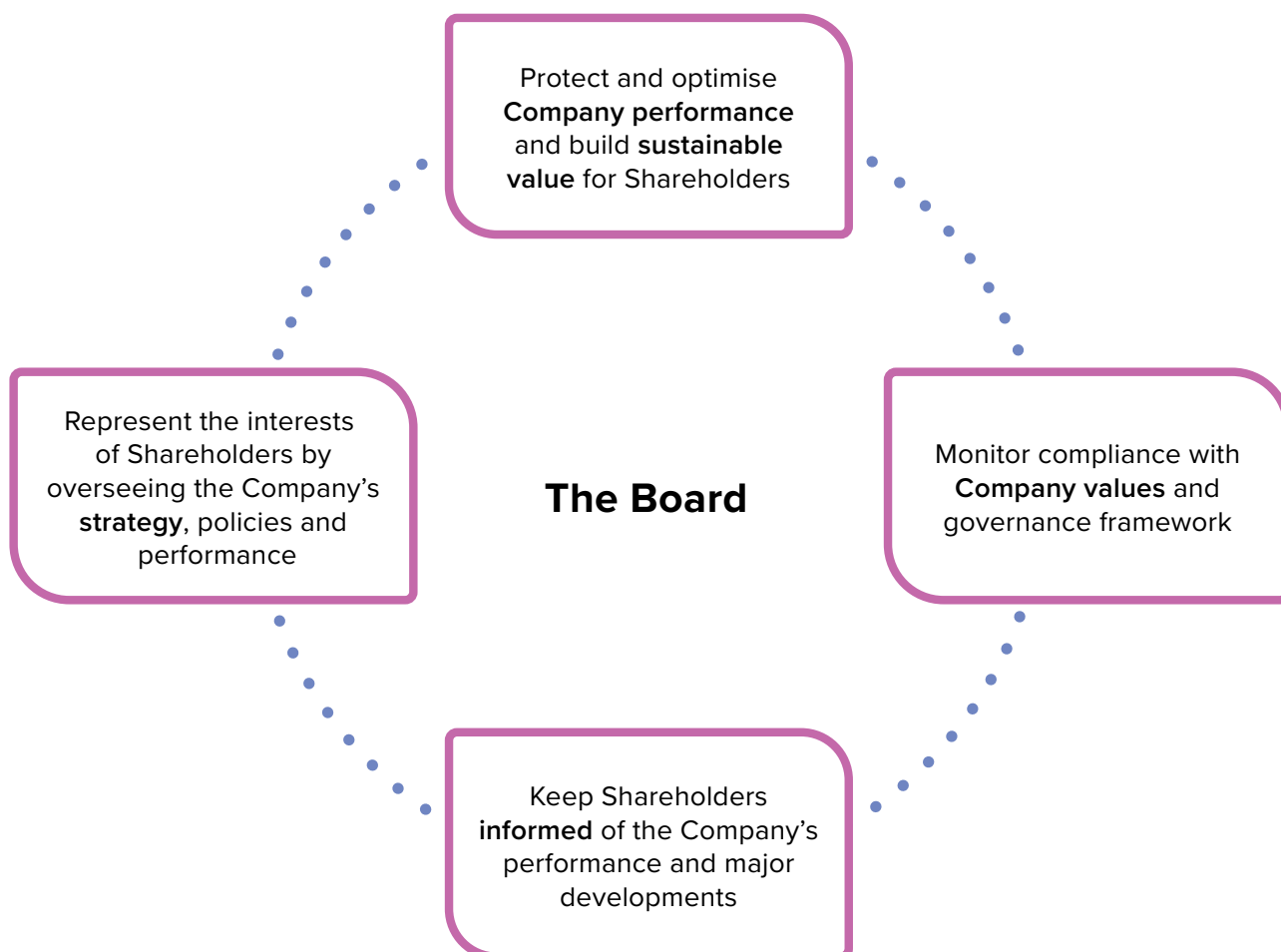
While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO.

The CEO and the management team are responsible for implementing strategic objectives, plans and budgets approved by the Board and is accountable to the Board for matters within their delegated authority.

The Board has adopted a Board Charter which provides an overview of:

- the Board's composition, role and responsibilities, and
- the relationship and interaction between the Board, committees and management.

Key elements of the Board's roles and responsibilities are described in the diagram below.





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## Director Nomination and Succession

The Board seeks to ensure that it comprises Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. The Board reviews the skills, experience, expertise and diversity represented by Directors on the Board and determines whether the composition and mix remain appropriate for the Company's strategy and cover the skills needed to address existing and emerging business and governance issues relevant to the Company.

In respect of Board composition and succession more generally, the Board is responsible under its Charter for:

- considering Board succession plans, having regard to the Board Skills Matrix and the objective that the Board comprise Directors with a broad range of skills, expertise and experience from a broad range of backgrounds;
- reviewing the criteria for nomination as a Director and the membership of the Board more generally;
- reviewing succession plans for the CEO and other members of the senior executive team;
- evaluating, at least annually, the performance of the Board, its committees and individual Directors;
- monitoring that processes are in place to support Director induction and ongoing education; and
- approving measurable objectives for achieving diversity in the composition of the Board, senior executives and workforce generally, and assessing the Company's progress in achieving those objectives.

When a vacancy exists or is pending, or when it is considered that the Board would benefit from the services of a new Director with particular skills, the Board will:

- prepare and consider a description of the role and capabilities required for a particular appointment in light of the balance of skills, knowledge, experience, independence and diversity of the Board;
- provide background information in relation to a potential candidate to all Directors;
- be assisted by the use of external search organisations as appropriate; and
- undertake appropriate checks in relation to all potential candidates, assisted by the use of external organisations as appropriate.

An offer of a Board appointment must be made by the Chair only after having consulted all Directors.

Prior to Directors seeking election or re-election at an annual general meeting, dusk provides Shareholders with all material information known to the Board and relevant to a decision on whether or not to elect or re-elect that Director in the notice of annual general meeting. The board also makes a recommendation to Shareholders in relation to voting for or against the re-election of a Director.

All Directors have entered into written agreements with dusk, which set out their duties, responsibilities, and terms of their appointment.

## Director Independence

The Board has adopted guidelines, set out in the Board Charter, to assist in considering the independence of Directors. The guidelines are based on the definition of independence set out in Box 2.3 of the Recommendations.

Having regard to these criteria, the Board considers that David MacLean, Tracy Mellor and Katherine Ostin are independent. The Board considers that John Joyce is not independent as he is currently employed by dusk in an executive capacity.

The Board considers that Trent Peterson is not independent as he is a Director of, and minority investor in, certain entities and funds of Catalyst, which has been a substantial Shareholder of dusk within the last 12 months.

## Our Board of Directors *continued*

### Board Skills Matrix

Maintaining a balance of skills, expertise, experience and diversity is an important factor in Board composition.

The Board will review the skills, expertise, experience and diversity represented on dusk's Board and consider whether there are any areas that should be addressed through Board renewal and succession.

The following matrix summarises the skills and experience represented on dusk's Board:

### Board Skills Matrix

Skill	Description	Experience
<b>Strategy</b>	Ability to think strategically, identify and critically assess opportunities and threats. Develop effective strategies in the context of evolving market conditions.	100%
<b>Retail sales and marketing</b>	Clear understanding of the retail market, including multi-channel distribution, service recognising the customer experience. Developing and implementing sales and marketing strategies, and setting sales budgets, incentives and targets.	33.3% 66.7%
<b>Financial Acumen</b>	Ability to analyse financial statements and associated reporting, to assess financial performance, contribute to the budget process, including cost effective use of capital and resources.	50.0% 50.0%
<b>People and performance</b>	Recognition of the best practice in HR planning and management with awareness of employment legislation, labour relations recruitment, compensation, performance review and conflict management.	16.7% 83.3%
<b>Industry experience</b>	Broad industry awareness including market drivers, risks and trends, competitive landscape and customer profile. Awareness of digital based solutions that deliver technology strategies to maintain competitive advantage.	100%
<b>Legal and compliance</b>	Ability to identify key risks across diverse areas including legal and regulatory compliance and evaluation of risk and compliance. Knowledge and awareness of best practice ASX and Corporations Act governance policies and processes.	66.7% 33.3%
<b>International Experience</b>	Relevant experience and exposure to a range to international markets and business and environments.	33.3% 16.7% 50.0%
<b>Capital Markets</b>	Expertise in the implementation of efficient capital management which includes alternative capital sources. Experience to the various components of negotiations, structuring, risk management and assessment of both acquisition and divestments.	33.3% 50.0% 16.7%

● Limited or no experience ● Moderately experienced ● Highly experienced

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## **Induction and Professional Development**

All new Directors participate in an induction process. The induction process includes meetings with executives and management, the provision of materials such as strategic plans and core corporate governance policies, and meetings with other Directors.

From time to time, the Company also facilitates professional development sessions for Directors to ensure that they are kept up to date with developments which may be relevant to their role. Management also briefs the Board on relevant industry, regulatory and legal developments on a periodic basis.

## **Independent Advice**

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair or the Board as a whole.

## **Performance Reviews and Evaluation**

The Company has established the following performance evaluation processes for the Board, committees and individual Directors:

- on an annual basis, Directors will provide written feedback in relation to the performance of the Board, its committees and individual Directors against a set of agreed criteria;
- each committee of the Board will also provide feedback in terms of a review of its own performance;
- where appropriate to facilitate the review process, assistance may be obtained from third party advisers;
- feedback will be collated by the Chair, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its committees;
- in the case of the Chair of the Board's performance, feedback will be collected by the Chair of the Audit and Risk Committee or an external facilitator; and
- the CEO will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.

Performance evaluations took place in FY23 in accordance with the processes described above.



# Board Committees

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The Board from time to time establishes committees to streamline the discharge of its responsibilities. The permanent standing committees of the Board are the:

- Audit and Risk Committee; and
- Remuneration Committee.

Each standing committee has a formal charter which sets out matters relevant to their composition, responsibilities and administration.

The number of times the Board and each committee met during FY23 is set out in page 19 of the 2023 Annual Report. The members and role of each committee are set out in the diagram below.

All Non-Executive Directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts. Other non-committee members, including members of management and the external auditor may attend meetings of the Committee at the invitation of the Committee Chair.

Due to John Joyce's interim appointment as Executive Chair on 3 July 2023, the remuneration committee currently consists of three members – two of whom are non-independent.

Committee	Audit and Risk Committee	Remuneration Committee
<b>Membership</b> (as at 2 July 2023)	<ul style="list-style-type: none"> <li>• Katherine Ostin (Chair)</li> <li>• David MacLean</li> <li>• Trent Peterson</li> </ul>	<ul style="list-style-type: none"> <li>• Trent Peterson (Chair)</li> <li>• John Joyce</li> <li>• Tracy Mellor</li> </ul>
<b>Key role and responsibilities</b>	<p>The Committee's key responsibilities are to oversee dusk's:</p> <ul style="list-style-type: none"> <li>• financial and other periodic corporate reporting;</li> <li>• relationship with the external auditor and the external audit function generally;</li> <li>• processes for identifying and managing financial and non-financial risk;</li> <li>• internal controls and systems; and</li> <li>• processes for monitoring compliance with laws and regulations.</li> </ul>	<p>The Committee's key responsibilities are to:</p> <ul style="list-style-type: none"> <li>• review and recommend to the Board employment and remuneration arrangements for the CEO;</li> <li>• review and monitor dusk's remuneration framework;</li> <li>• approve employment and remuneration arrangements for other members of the senior executive team;</li> <li>• approve major changes in the dusk's policies and procedures related to remuneration, recruitment, retention, termination and performance assessment; and</li> <li>• oversee the operation of employee incentive plans in place from time to time.</li> </ul>

# Management

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## Appointment

Appropriate background checks are conducted before a senior executive is appointed.

All senior executives have entered into written agreements with dusk, which set out their rights, duties and responsibilities.

## Performance Reviews and Evaluation

The performance of the senior executive team is formally assessed on an annual basis. The CEO's key performance indicators (KPIs) are reviewed and set annually by the Board at the commencement of the financial year. The Board carefully evaluates the CEO's performance against those KPIs.

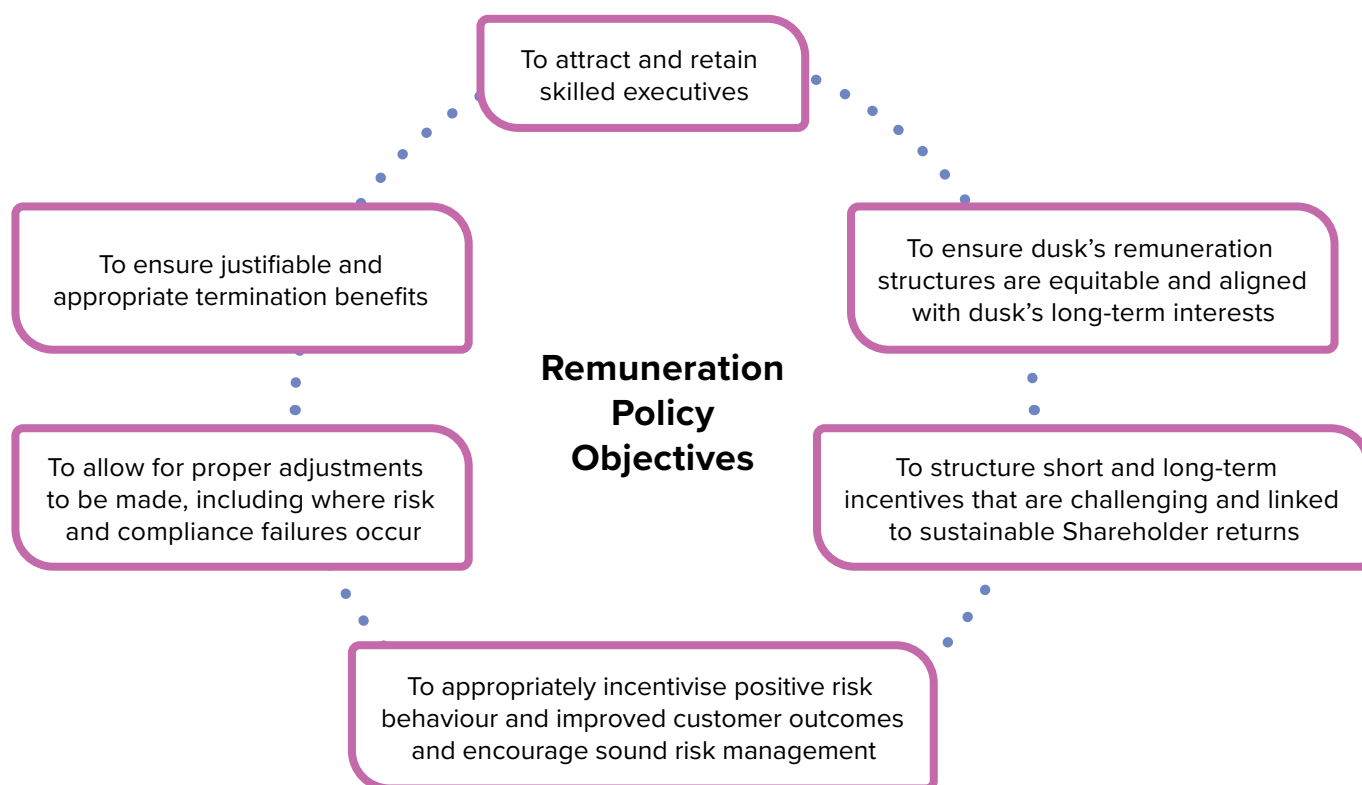
An annual assessment of the performance of all other senior executives is undertaken by the Board on the basis of recommendations by the CEO, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the former CEO, took place in FY23 in accordance with the processes described above.

## Remuneration

dusk considers that executive remuneration and incentive policies and practices must be performance based and aligned with the Company's purpose, values, strategic objectives and risk appetite. Executive remuneration and incentive policies and practices are designed having regard to the policy objectives described below.

Further information relating to the Company's remuneration policy (which covers remuneration of executives and directors) is summarised in the 'Remuneration Report' on pages 21 to 32 of the Directors' Report in our 2023 Annual Report. Details of the compensation of Key Management Personnel are also contained in the Remuneration Report.



## Company Secretary

The Company Secretary of dusk is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary. Further details on the Company Secretary are provided on page 19 of the Directors' Report within our 2023 Annual Report.

# Shareholders and Reporting

## Disclosure Policy

dusk is committed to complying with its disclosure obligations under the Corporations Act 2001 (Cth) and the ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of dusk's securities.

The Company has adopted a Disclosure Policy which establishes procedures to ensure that the Company fulfils its obligations in relation to the timely disclosure of material price-sensitive information.

The Board receives copies of all material announcements after they have been made.

## Communication With Shareholders

dusk has adopted a Communication Strategy which set out dusk's commitment to:

- communicating openly and honestly with its Shareholders;
- keeping Shareholders informed of all major developments affecting the state of affairs of the Company; and
- providing the market and other interested stakeholders with access to information about the Company from time to time.

The Company communicates information regularly through a range of platforms and publications. The diagram below contains more detailed information regarding some of the key platforms and publications.

Website	<ul style="list-style-type: none"><li>• One of dusk's key methods of communication with Shareholders and the general public is through its investors' webpage: <a href="https://investors.dusk.com.au/">https://investors.dusk.com.au/</a></li><li>• The website contains links to dusk's Constitution, as well as Board and Committee charters and Company policies on the Corporate Governance webpage.</li></ul>
Notice of Meeting	<ul style="list-style-type: none"><li>• In addition to providing Shareholders with notices of meetings in accordance with the Corporations Act 2001 (Cth), dusk places the full text of all notices of meetings and explanatory material on its website.</li><li>• dusk encourages Shareholders to provide email addresses so that notices of meetings and explanatory material can be sent to Shareholders via email.</li></ul>
Annual Report	<ul style="list-style-type: none"><li>• The Annual Report is available on dusk's website and contains important information about dusk's activities and results for the previous financial year.</li><li>• Shareholders may choose to receive a copy of the Annual Report in electronic or hard copy form.</li></ul>
Announcements lodged with the ASX	<ul style="list-style-type: none"><li>• All ASX announcements, including annual and half year financial results, are posted on dusk's website as soon as the ASX has confirmed that the information has been released on the ASX market announcements platform.</li></ul>
Annual General Meeting	<ul style="list-style-type: none"><li>• dusk encourages all Shareholders to attend and participate in its Annual General Meeting (AGM) each year.</li><li>• Shareholders are given a reasonable opportunity to ask questions during the AGM and are encouraged to lodge proxies electronically.</li><li>• dusk's external auditor attends the AGM and is available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.</li><li>• All substantive resolutions at dusk's AGM are decided by poll, ensuring that voting outcomes reflect proportionate holdings of shareholders who vote (whether in person or by proxy or other representative).</li></ul>
Investor Relations	<ul style="list-style-type: none"><li>• dusk gives Shareholders the option to receive communications from and send communications to dusk and its share registry electronically in order to facilitate quick and environmentally friendly dissemination of information.</li></ul>
Presentations	<ul style="list-style-type: none"><li>• Copies of all new and substantive presentation materials provided to investors and analysts are released on the ASX market announcements platform prior to the presentation and are posted on dusk's website.</li></ul>

## Verification of Unaudited Reports

Management internally verifies periodic corporate reports that are not otherwise audited prior to release to ASX.

The verification process incorporates cross checking and signing off of financial information and other statements contained in periodic corporate reports by members of management, approval by senior executives, and as relevant, the Board.



# Risk Management

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## **Risk Management Framework**

The Board is responsible for determining dusk's risk appetite and monitoring financial and non-financial risks. The Board is supported in its risk oversight role by the Audit and Risk Committee. The role of the Audit and Risk Committee is to assist the Board in discharging its duties in respect of risk management and legal and regulatory compliance.

The Audit and Risk Committee assists the Board with regard to oversight of dusk's risk management practices by reviewing and reporting to the Board that the Committee has, at least annually, reviewed the Company's risk management framework to satisfy itself that it continues to be sound and whether the Company is operating with due regard to the risk appetite set by the Board.

In line with the Recommendations, dusk's risk management framework was reviewed in FY23.

## **Environmental and Social Risks**

The Operating and Financial Review on pages 11 to 17 of the 2023 Annual Report contains detailed information about dusk's material business risks, including dusk's exposure to environmental and social risks.

## **Internal Audit**

Given the size of dusk, the Company does not currently have an internal audit function. Instead, the finance team, working with external auditors and advisors as appropriate, oversee the adequacy and effectiveness of dusk's systems of risk management, internal control and governance, and provides recommendations to improve the efficiency and effectiveness of these systems and processes.

The Audit and Risk Committee:

- oversees and advises the Board on management of key financial and non-financial risks, including new and emerging risks;
- oversees that management has appropriate processes in place for identifying, assessing and responding to risks and that those processes are operating effectively; and
- reviews the trends in the Company's risk profile and reports to the Board on key risks.

## **Management Assurances / Certification**

The CEO and Chief Financial Officer provided a written declaration to the Board in respect of the full year and half year financial statements that:

- in their opinion, the financial records of the Company have been properly maintained;
- in their opinion, the financial statements comply with Australian Accounting Standards and give a true and fair view of the financial position and performance of the Company and its consolidated entities; and
- their opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.

# Diversity and Inclusion

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## Diversity Policy

dusk recognises that people are its most important asset and it is committed to the maintenance and promotion of workplace diversity.

The Board believes that diversity is an important component of the Company's ability to attract, retain, motivate and develop the best talent, create an engaged workforce, deliver the highest quality service to its customers, and continue to grow the business.

The Board has approved a Diversity Policy which sets out the Company's commitment to gender diversity by:

- setting and reviewing measurable objectives to achieve gender diversity in the composition of the Board, senior executive team and workforce generally and assessing the Company's progress in achieving those objectives;
- broadening the field of potential candidates for senior management and Board appointments;
- having a transparent Board appointment process; and
- embedding the extent to which the Board has achieved the objective of the Diversity Policy in the evaluation criteria for the annual Board performance evaluation.

dusk reports annually to the Australian Government's Workplace Gender Equality Agency and the proportion of men and women in the Company's workforce as at 31 March 2023 are set out in the following table:

Level/Role	Men	Women
Total workforce <sup>1</sup>	4.9%	95.1%
Senior executives <sup>2</sup>	50.0%	50.0%
Board of directors	66.6%	33.3%
Senior leaders <sup>3</sup>	53.8%	46.2%

1. For these purposes, this includes full-time, part-time and casual team members.

2. For these purposes, senior executives include the CEO and those executives who report directly to the CEO.

3. Board and senior executives combined.

The Board has set the following gender diversity targets:

Reference group	Gender diversity target	FY23 outcome
Board of directors	Not less than 30% of any gender across the Board of directors	Target met
Senior executives	Not less than 30% of any gender across the Senior executives	Target met

dusk