

## CORPORATE GOVERNANCE STATEMENT

The directors and management of Australian Bond Exchange Holdings Limited (**ABE** or the **Company**), are committed to conducting the business of ABE and its subsidiaries (the **Group**) in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (**Recommendations**). The Company considers that it has reached a level of corporate governance which is appropriate, having regard to the size, life cycle stage and nature of the Group's operations.

This Corporate Governance Statement (**Statement**) has been prepared by reference to each of the Recommendations.

The Board seeks to ensure that ABE is appropriately managed to protect and enhance shareholder interests, and that ABE and its directors, officers and personnel operate in a manner that is legal, ethical and fair to all shareholders. Accordingly, the Board has created a framework for managing the Group's entities (**Framework**). The Framework includes the adoption of relevant internal controls, risk management processes and corporate governance policies and practices, which are appropriate for the business conducted by the Group and that are designed to promote the responsible management and conduct of the Group generally and the Company in particular.

This Statement was approved by the Company's Board on 29 September 2023 and is current as at that date. Reporting is for the year ended 30 June 2023 (**Reporting Period**), unless stated otherwise.

## ASX RECOMMENDATIONS

### Principle 1 – Lay solid foundations for management and oversight

A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.

1.1 A listed entity should disclose:

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

### Status - Compliant

### Reference/Commentary

The Board's role is to monitor the operational and financial position and performance of ABE and oversee its business strategy, including considering and approving the Company's strategic objectives.

The Board has adopted a charter (**Board Charter**) to provide a framework for the Board in guiding and monitoring the activities of the Group on behalf of shareholders. The Board Charter reflects the role and responsibility of the Board and those matters delegated to senior management. The matters reserved to the Board, include:

- determining all matters relating to the strategic direction, policies, practices and the establishment of goals for management and the operation of the Group;

- the monitoring and ultimate control of the business of the Group; and
- the delegations of authority to the management of ABE.

The Board Charter is available [here](#) and on the Company website at:  
[www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations).

The management of the Group is conducted by, or under the supervision of, the CEO and Managing Director as directed by the Board (and by officers to whom the management function is delegated by the CEO and Managing Director). Management report to the Board on a regular basis on the performance of all components of the business.

The delegation of authority to senior management includes:

- responsibility for operating the Group's businesses within the bounds and in accordance with the policies set by the Board, and keeping the Board informed of material developments in relation to the business units;
- identifying material business risks, formulating strategies to manage the risks and monitoring the effectiveness of the management process and reporting to the Board; and
- implementing and monitoring compliance with the policies, processes and codes of conduct approved by the Board.

## **ASX Recommendation**

1.2 A listed entity should:

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

## **Status - Compliant**

### **Reference/Commentary**

The Board is tasked with identifying individuals who may be qualified to become new directors, having regard to such factors as it considers appropriate, including skill set, diversity and business experience. Prior to appointing a new director, the Board undertakes background checks, including police and insolvency clearances, reference checks and reputational referencing. The current members of the Board were subject to background checks, before being formally appointed to the Board.

When putting forward candidates for election or re-election at a general meeting, and to enable shareholders to make an informed decision on whether or not to elect or re-elect the relevant director or candidate, the Company provides details of the director or candidate's:

- relevant qualifications and experience;
- the skills they bring to the Board;
- details of any other listed directorships held in the preceding 10 years;
- the term of office already served by the director, if relevant;

- whether the director or candidate is considered to be independent; and
- a recommendation by the Board in respect of the election or re-election of the director or candidate.

#### **ASX Recommendation**

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

#### **Status - Compliant**

#### **Reference/Commentary**

All senior executives have entered into written agreements with either the Company or ABX Operations Pty Ltd ACN 625 740 427 (**ABX Operations**) (a wholly owned subsidiary of the Company).

In all cases, an appointment letter to each of the directors has been issued, confirming their respective roles and responsibilities as directors of a public listed entity and setting out their terms of engagement.

#### **ASX Recommendation**

1.4 The company secretary(ies) 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.

#### **Status - Compliant**

The Board Charter provides that the Company Secretary(ies) is/are accountable directly to the Board through the Chair on all matters relating to the proper functioning of the Board.

#### **ASX 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; and
- c) disclose in relation to each reporting period:
  - (1) the measurable objectives set for that period to achieve gender diversity;
  - (2) the entity's progress towards achieving those objectives; 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 entity’s 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.

#### **Status - Compliant**

#### **Reference/ Commentary**

The Company has adopted a Diversity Policy, which may be viewed on its website [www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations)

The Diversity Policy provides a framework to achieve ABE’s goals of recognising and respecting diversity in the workplace. The Company recognises benefits arising from employee and Board diversity, including a broader pool of high-quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

In September 2021 the Company set a target to achieve 30 percent female representation on the Board, within the Company’s executive management and throughout the Company’s employee base, within a period of three years.

In furtherance of progress towards this target, the Company appointed a female director to its Board in October 2021, following a search to identify candidates with relevant skills who would add value to the Company and enhance the Board’s aggregate skill set.

As of 30 June 2023, the proportion of female representation across the Company was as follows:

- Board: 25%
- Senior Executive (being the CEO and Managing Director and executives reporting to the CEO and Managing Director): 0%
- Whole Organisation: 29%.

The Company was not in the S&P / ASX300 Index at the commencement of the Reporting Period.

#### **ASX 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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

#### **Status - Part Compliant**

#### **Reference/Commentary**

The Board Charter provides that the Chair is responsible for regular evaluation of the performance of the Board and its committees and individual directors.

Regular informal performance evaluation, including individual feedback, was overseen by the Chair during the Reporting Period with some but not all directors.

#### **ASX Recommendation**

1.7 A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of its senior executives; 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.

#### **Status - Part Compliant**

#### **Reference/Commentary**

The Board Charter provides that non-executive directors scrutinise the performance of executive management against agreed objectives and strategies.

During the Reporting Period, a formal review was undertaken for some senior executives.

#### **ASX Recommendation**

#### **Principle 2 – Structure the Board to add value**

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

2.1 The board of a listed entity should:

- a) have a nomination committee that:
  - (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.

#### **Status - Part Compliant**

The Board was responsible for the nomination and selection of Directors during the Reporting Period.

The Board has established a Remuneration (and Nomination) Committee (**RC**), comprising three members, being Allan Farrar, Nina Vanneck and Bradley McCosker.

Given the composition of the Board, only one of the members of the RC is independent.

The charter of the committee is available [here](#) and on the Company website. The RC holds at least two meetings each year.

## ASX Recommendation

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

### Status - Compliant

The Board aims to be comprised of directors who have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to ABE's business and the Board's responsibilities.

The following table sets out the skills and experience considered by the Board to be important for its directors to collectively possess in order for it to effectively discharge its duties.

	Accounting	Investments	Legal / Regulatory	Human Resources	Technology	Marketing	Financial Services	Corporate Governance	Risk Management	Strategy Development	General Management & Business Operations
Allan Farrar	✓	✓	✓	✓			✓	✓	✓		✓
Nina Vanneck				✓	✓	✓		✓	✓	✓	✓
Brad McCosker	✓	✓	✓		✓		✓		✓	✓	✓
Michael Vanderdonk			✓	✓	✓	✓		✓	✓	✓	✓

The Board has assessed the relevant level of each competency on the Board and although collectively some competencies and skills have a higher expertise or skill level than others, the Board is of the opinion that collectively it has an adequate skill level for all competencies to discharge its duties.

In addition to the skills and experience set out in the table above, the Board considers that each director has the following attributes:

- honesty and integrity;
- strategic thinking;
- sufficient time to devote to ABE's business;
- willingness to question and challenge; and

- commitment to the highest standards of governance.

The Board considers that it has the necessary knowledge to identify the skills missing and required to complement the Board composition. The current Board is made up of members with a broad range of skills, expertise and experience, which the members of the Board believe is appropriate to ensure that it can carry out its obligations in accordance with its the Board Charter and the requirements of good governance.

### **ASX 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, association or relationship of the type described in 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

### **Status - Compliant**

### **Reference/Commentary**

During the year ended 30 June 2023, there were four directors on the Board of ABE. The Board of directors as at 30 June 2023 and at the date of this Statement comprised:

- Allan Farrar (appointed as a director on October, 2018, re-appointed Chair on 8 June 2020;
- Bradley McCosker (Chief Executive Officer and Managing Director since October 2018);
- Michael Vanderdonk (Executive Director since October 2018; and
- Nina Vanneck (Independent Non-Executive Director since October 2021).

The Board only considers Nina Vanneck to be an independent director, as Messrs McCosker and Vanderdonk are executive directors and Allan Farrar, through associated entities, is a substantial shareholder of the Company.

A director is considered independent by the Company if the director is a non-executive director who is free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or could reasonably be perceived to do so. In determining whether a director is “independent”, the Board refers to the Recommendations.

In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining director independence set out in the Board Charter and 2.3 of the Recommendations.

The length of service of each director is set out above and in the Company’s 2023 Annual Report.

### **ASX Recommendation**

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

### **Status - Not Compliant**

### **Reference/Commentary**

The Board currently comprises four directors, one of whom is independent. The composition of the Board is appropriate to the size and stage of the Company's life cycle, and the Board's collective industry experience, and access to corporate history. As the Company scales up its activities, the Board composition will be reviewed regularly and the Company will seek to enhance the Board's technical skills and capabilities by adding additional independent directors as appropriate.

### **ASX 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 and Managing Director of the entity.

### **Status - Not Compliant**

### **Reference/Commentary**

Allan Farrar, the Chair of the Board, is not an independent director as he is, via a related party, a substantial shareholder of the Company. The Board has agreed that Allan Farrar is the most appropriate director to hold the position of Chair in light of his relevant experience and expertise, regardless of his substantial shareholding.

The positions of Chair and CEO and Managing Director are held by separate persons (Allan Farrar and Bradley McCosker respectively).

### **ASX Recommendation**

2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

### **Status - Compliant**

### **Reference/Commentary**

The Company has in place an orientation program for new directors, including the provision of historical corporate documents and policies and the opportunity to engage with senior executives.

The Board, under the guidance of the Chair, considers professional development and director education opportunities for individual directors and industry-relevant engagement opportunities for the Board and senior executives, from time to time.

### **ASX Recommendation**

### **Principle 3 – Act ethically and responsibly**

A listed entity should act ethically and responsibly

3.1 A listed entity should articulate and disclose its values:

### **Status - Compliant**



## Reference/Commentary

The Board is committed to providing an ethical and legal framework within which employees of the Group conduct ABE's business.

ABE's core values and commitments are:

<b><u>Integrity</u></b>	we act honestly and with integrity in all our dealings, both internally and externally. We commit to only dealing with business partners who demonstrate similar ethical and responsible business practices.
<b><u>Respect</u></b>	we respect all people; their ideas and cultures and our words and actions must reflect this respect.
<b><u>Safety</u></b>	we are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of our employees, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.
<b><u>Community Standards</u></b>	we act in a manner consistent with reasonable expectations of our investors and the broader community.
<b><u>Environment</u></b>	we are committed to acting responsibly towards the environment.

## ASX 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.

## Status - Compliant

## Reference/Commentary

The Board has adopted a Code of Conduct, which is available [here](http://www.bondexchange.com.au/investorrelations) and on the Group's website at [www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations)

The Code of Conduct sets out the values, commitments, ethical standards and policies of the Group and outlines the standards of conduct expected of the business and the Group's employees, taking into account ABE's legal and other obligations to its stakeholders. Any material breaches of the Code of Conduct are reported to the Board, through the Company's Compliance Audit and Risk Committee (**CARC**).

## ASX 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.

**Status - Compliant**

**Reference/Commentary**

The Group has adopted a Whistleblower Policy, which is available [here](#) and on the company website, [www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations).

Any material incidents reported under the policy are reported to the Board.

**ASX Recommendation**

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.

**Status - Compliant**

**Reference/Commentary**

The Group has adopted an Anti-bribery and Corruption Policy, which is available [here](#) and on the Group's website, [www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations).

Any material breaches of the Anti-bribery and Corruption Policy are reported to the Board.

**ASX Recommendation**

**Principle 4 – Safeguard integrity in corporate reporting**

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

**ASX 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

#### **Status - Part Compliant**

#### **Reference/Commentary**

The Board's CARC comprises three members, being: Michael Vanderdonk (Chair), Nina Vanneck and Allan Farrar. The Chair of the CARC is not an independent non-executive director, however he is not the Chair of the Board. Given the composition of the Board and this committee, only Nina Vanneck is independent.

The charter of the CARC may be viewed [here](#) and on the company website at: [www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations)

The CARC held four meetings during the Reporting Period.

The relevant qualifications and experience of the members of the CARC is set out in the Company's Annual Report to shareholders for the year ending 30 June 2023 (**Annual Report**). The processes the CARC 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.

#### **ASX 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 Managing Director and Financial Controller a declaration that, in their opinion, the financial records of the entity have been 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.

#### **Status - Compliant**

#### **Reference/Commentary**

The directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.

In accordance with the Company's legal obligations and Recommendation 4.2, the CEO and Managing Director and Financial Controller are required to provide a declaration to the Board that complies with the requirements of sections 286, 296 and 297 of the Corporations Act 2001 (Act), Corporations Regulations, relevant Reporting Standards and other mandatory professional reporting requirements and states that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board has received these assurances prior to approving the financial statements for the Reporting Period and will seek these assurances prior to approving the financial statements for all quarterly, half-year and full year results.

#### **ASX Recommendation**

4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

#### **Status - Compliant**

The Company's external auditor attends the annual general meeting and is available to answer shareholders' questions about the conduct of the audit and the preparation and content of the external auditor's report; accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

#### **ASX Recommendation**

##### **Principle 5 – Make timely and balanced disclosure**

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

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

#### **Status - Compliant**

#### **Reference/Commentary**

The Company has a documented Disclosure and Communication Policy that has procedures to ensure compliance with ASX Listing Rule disclosure requirements and inform directors and Management of their obligations in relation to timely disclosure of material price-sensitive information.

A copy of the Disclosure and Communication Policy is available [here](#) and on the company website at [www.bondexchange.com.au/investorrelations](http://www.bondexchange.com.au/investorrelations)

#### **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.

#### **Status - Compliant**

#### **Reference/Commentary**

All material market announcements released by the Company are provided to the Board prior to release.

#### **ASX 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.

**Status - Compliant**

**Reference/Commentary**

If a new and substantive investor or analyst presentation is given, a copy of the presentation materials will be released on the ASX Market Announcements Platform ahead of the presentation.

**ASX Recommendation**

#### Principle 6 – Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

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

**Status - Compliant**

**Reference/Commentary**

The “Investor Relations” section of the [www.bondexchange.com.au](http://www.bondexchange.com.au) website is the primary medium providing information for all shareholders and stakeholders. The website is designed to enable the access of information in a clear and simple manner.

The website will contain information relevant to shareholders and stakeholders, including:

- all relevant announcements made to the market, including annual and half-year reports;
- shareholder updates;
- corporate governance policies, Board and committee charters;
- Company contacts; and
- Company notices of meetings and explanatory material.

**ASX Recommendation**

6.2 A listed entity should have an investor relations program to facilitate effective two-way communication with investors.

**Status - Compliant**

**Reference/Commentary**

The Board is committed to providing shareholders with sufficient information to assess the performance of ABE and to inform shareholders of all major developments affecting the Company that are relevant to shareholders, and in accordance with all applicable laws.

The Board seeks to communicate with the Company’s shareholders by lodging all relevant financial and other information with ASX.

The Group's website contains information about ABE, including media releases, key policies and charters. Shareholders are able to contact the Company through the website and contact details for Investor Relations are provided on all ASX market announcement materials.

#### **ASX Recommendation**

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

#### **Status - Compliant**

#### **Reference/Commentary**

Shareholders are encouraged to attend the Company's general meetings and notice of such meetings is given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.

The Company's annual general meeting is an opportunity for shareholders to receive updates from the CEO and Managing Director and Chair on Company performance, ask questions of the Board and vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at annual general meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

The date, time and location of the Company's general meetings will be provided in the notices of meetings, and on the company website. Shareholders are encouraged to attend meetings in person (when permitted and safe, and in accordance with any Government health warnings at the time) or via available technology when appropriate. In the event that they are unable to do so, shareholders are encouraged to participate in the decisions of the company by appointing a proxy, attorney or representative to vote on their behalf.

The Company's annual general meeting will be convened once a year. For general meetings of shareholders, a complete agenda setting out resolutions to be considered, is included with the notice of meeting.

The outcome of voting on resolutions at general meetings is released to the market via the ASX after the conclusion of the meeting and posted on the company website.

#### **ASX 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

#### **Status - Compliant**

#### **Reference/Commentary**

All resolutions at meetings of shareholders are to be decided on by a poll rather than by a show of hands.

#### **ASX 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.

## **Status - Compliant**

### **Reference/Commentary**

Investors are able to communicate with the Company electronically by e-mailing the Company Secretary.

Investors are also able to communicate with the Company's registry electronically by e-mailing the registry via the registry's website. Investors may also contact the Company via the "Contact" page on the company website.

ABE encourages its shareholders to receive company information electronically by registering their email addresses online with ABE's share registry, Computershare.

### **ASX Recommendation**

#### **Principle 7 – Recognise and manage risk**

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

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 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.

## **Status – Part Compliant**

### **Reference/Commentary**

The CARC oversees and manages risk. The Chair of the CARC is Michael Vanderdonk.

During the Reporting Period, the CARC had oversight of risk and was responsible for reviewing risk factors and considering the implementation of mitigation measures.

### **ASX 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.

**Status - Compliant**

**Reference/Commentary**

The Company's risk management framework is integrated with its day-to-day business processes, systems and functional responsibilities, and is overseen by the Chair of the CARC, and reviewed by the full CARC quarterly.

The CARC reviewed the Company's risk framework and management of risks during the Reporting Period.

**ASX 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.

**Status - Part Compliant**

The Company does not currently have an internal audit function. This function is performed largely by the CARC, whose responsibilities include reviewing compliance on an ongoing basis, reporting on compliance matters, including breaches, to the CEO and Managing Director and separately to the Board; and acting on recommendations of the Board.

Compliance matters are escalated to the Board or ASIC or other external parties when necessary.

**ASX Recommendation**

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

**Status - Compliant**

**Reference/Commentary**

The Company's goal is to create a sustainable business that is respected, supported and is considered to be the best of its kind in the industry in which it operates. Matters such as health and safety, the environment and the community are important to ABE. This commentary details the Company's exposure to material economic, environmental and social sustainability risks and how it manages these risks.

Economic sustainability risks

Economic sustainability is the ability of an entity to continue operating at an effective economic level over the long-term.

A range of factors can influence the level of the Company's economic sustainability, including the following

- Credit and fraud risk



- Regulatory and legal risk
- Financial and reporting risks
- Funding risk
- Operational risk.
- Reputational risk

#### Environmental sustainability risks

Environmental sustainability is the ability of an entity to continue operating in a manner that does not compromise the health of the environment in which it operates in the long-term.

#### Social sustainability risks

Social sustainability is the ability of an entity to continue operating in a manner that meets accepted social norms and needs over the long-term.

During the Reporting Period, the Company did not identify any material exposure to economic, environmental or social sustainability risks.

### **ASX Recommendation**

#### **Principle 8 – Remunerate fairly and responsibly**

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

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

### **Status - Part Compliant**

#### **Reference/Commentary**

The RC comprises three members, being:

Allan Farrar (Chair), Nina Vanneck and Bradley McCosker.

Given the composition of the Board and the RC, only Nina Vanneck is independent.

The charter of the RC is available on the Group website.

The RC held two meetings during the Reporting Period.

### **ASX Recommendation**

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

### **Status - Compliant**

### **Reference/Commentary**

Details of the directors' and key Group senior executives' remuneration are set out in the Remuneration Report section of the Company's 2023 Annual Report.

The Annual Report may be viewed on the company website.

### **ASX Recommendation**

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

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

### **Status - Compliant**

### **Reference/Commentary**

ABE has an executive loan funded share plan (**Plan**), which provides that dealing in an unvested award, including engaging in a transaction which limits the economic risk of participating in the Plan, is prohibited, unless the Board determines otherwise.