



Corporate Governance Statement 2024

Generating enduring success

FY24 reporting suite



2024 ANNUAL REPORT



2024 CORPORATE GOVERNANCE STATEMENT



2024 SUSTAINABILITY REPORT



2023 MODERN SLAVERY STATEMENT



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Washington H. Soul Pattinson
and Company Limited

ABN 49 000 002 728
ASX Code: SOL

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About this report

The Board of Washington H. Soul Pattinson and Company Limited (**Soul Patts**, the **Company**) is committed to ensuring the operation of its policies and practices embed good corporate governance in its day-to-day activities.

We recognise that our continued success depends on sustaining a robust culture with high standards of corporate governance.

This Corporate Governance Statement is approved by the Soul Patts Board. It describes Soul Patts' key governance practices at 31 July 2024 and articulates how our decision-making meets stakeholder expectations of sound corporate governance. It acknowledges Soul Patts' specific and broader responsibilities to its shareholders, key stakeholders, staff and the communities in which we operate.

This Corporate Governance Statement assesses Soul Patts' governance practices against the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (the **ASX Principles**).

Soul Patts' practices were consistent with the ASX Principles at 31 July 2024, other than for recommendation 2.5 as set out in the Directors independence section on page 8.

About Soul Patts

A diversified investment house that is unique in Australia

With origins in owning and operating Australian pharmacies, Soul Patts has evolved into a diversified investment house with investments across a range of industries and asset classes, including listed equities, private equity, credit and property.

Today, Soul Patts is unique in the Australian market, offering our shareholders exposure to investments that perform throughout economic cycles. We are proud to have never missed a dividend payment since listing in 1903, and have increased dividend payments in each of the past 24 years.

Our commitment to long-term investing is anchored by our purpose of generating enduring success for our shareholders. This has remained the same since our listing in 1903.

Our evolution

At the time of our public listing in 1903, Soul Patts had 21 pharmacy stores. By the 1950s, it dominated the retail pharmacy market nationwide.

The 1960s and 1970s marked our diversification into building materials and resources, which included the investments in Brickworks Ltd and the purchase of what is now New Hope Corporation.

The 1980s saw us expand into media with the purchase of NBN Television, which over time grew into TPG Telecom, the third largest telco in Australia.

In 2021, we acquired one of Australia's largest listed investment companies, Milton Corporation. This transformed our scale and liquidity, allowing us to pursue a wider range of investment opportunities.

Our investment portfolio is designed to pivot to where we identify superior risk-adjusted returns. Our belief in being purposefully diversified – by industry and asset class – has enabled Soul Patts to weather market cycles and generate sustainable shareholder returns over the longer term.

Our current portfolio houses more than 200 individual investments in private, public and real assets. We are disciplined in our approach and active when opportunities arise, supported by our strong balance sheet and our reputation as trusted stewards of our shareholders' capital.

While Soul Patts no longer owns Australian pharmacies, many of the investments made decades ago remain large positions in today's portfolio.

Our journey



TO FIND OUT MORE ABOUT OUR JOURNEY, PLEASE VISIT
www.soulpatts.com.au/about/our-company

Our people, values and culture

We are proud of our values-based culture that has been developed over many generations and continues to be the core driver of our success. Our people embody our values of integrity, initiative and accountability.

Our culture is our competitive advantage. It underpins and drives our investment approach. All members of Soul Patts' small, close-knit investment team, led by the MD & CEO, are actively involved in decisions. This encourages robust debate and peer review, ensuring capital is deployed where we believe it will generate enduring value. For more information about our people, values and culture, please refer to the 2024 Sustainability Report.

At Soul Patts we pride ourselves on fostering a diverse and inclusive workforce of 56 dedicated people. Our employee value proposition (**EVP**) is designed to attract and retain the best talent who drive our purpose of generating enduring success and contribute to a strong workplace culture.

Soul Patts' Board and governance framework

Our Board

On 31 July 2024, the Board comprised the Chairman, the Managing Director and Chief Executive Officer (**MD & CEO**) and five Independent Non-Executive Directors.¹

Each Director's tenure and committee membership is shown on page 6. The Board's collective skills and experience is set out in the skills matrix on page 7. Details of each Director's qualifications and experience is set out in the Directors' Report, included with the 2024 Annual Report.



Robert Millner AO
Chairman
Non-Executive Director since 1984



Todd Barlow
Managing Director and
Chief Executive Officer since 2015



Michael Hawker AM
Lead Independent Director
Non-Executive Director since 2012



Tiffany Fuller
Non-Executive Director since 2017



Josephine Sukkar AM
Non-Executive Director since 2020



Joanne (Joe) Pollard
Non-Executive Director since 2022



David Baxby
Non-Executive Director since 2023



Bruce MacDiarmid¹
Non-Executive Director since 2024

¹ Following the end of the 2024 financial year, Soul Patts welcomed Bruce MacDiarmid who was appointed as Non-Executive Director effective 1 August 2024.

Our Company Secretaries

Soul Patts has two Company Secretaries. Details of their qualifications and experience are set out in the Directors' Report in our 2024 Annual Report.



Pamela Longstaff
Company Secretary



David Grbin
Company Secretary and
Chief Financial Officer

Corporate governance framework

Soul Patts' governance structure:

- ensures our operations activity aligns with our strategic initiatives
- provides effective oversight
- facilitates decision-making
- manages risk.

Our governance structure fosters a culture of ethical behaviour. It recognises that informed risk-taking and effective risk management are vital to achieving Soul Patts' core investment principles.

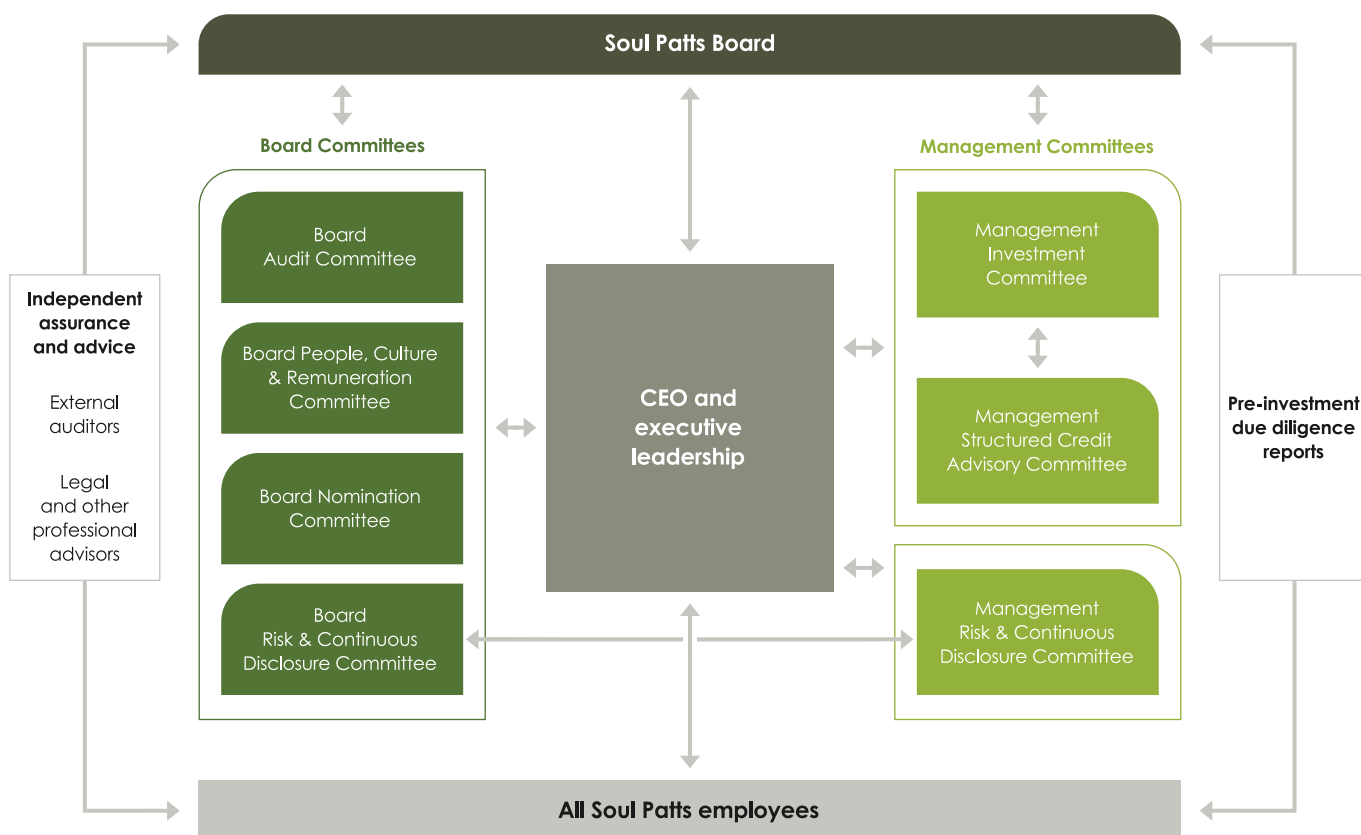
The Board provides leadership and strategic guidance, oversees performance and conduct, and represents and reports to our shareholders.

Several committees assist the Board. These committees play crucial roles in maintaining robust corporate governance and risk management frameworks. All Board committees are chaired by an Independent Director.

Company management, led by the MD & CEO, implements the Board's directives and policies, manages day-to-day operations and ensures effective risk management.

Management remains accountable to the Board and provides leadership and guidance to achieve our strategic objectives. Management and the Board frequently seek independent assurance and external advice to improve decision-making and uphold governance standards.

Our governance framework is set out below.



Soul Patts' Board and governance framework continued

Board oversight

The Board focuses on sustainable growth with prudent management of associated risks.

The Board's role is to:

- provide leadership and strategic guidance
- oversee the Company's performance and conduct
- represent and report to Soul Patts' shareholders.

To fulfil this role, the Board approves and oversees management's approach to the Company's strategy and risk management.

Our risk management framework is designed to strengthen our resilience against uncertainties. The Board approves the Risk Management Strategy and Risk Appetite Statement. The Risk Management Strategy formalises the guiding principles for risk management at Soul Patts and the systems in place to pro-actively manage risk on an ongoing basis. The Risk Appetite Statement defines the level of risk which Soul Patts is, or is not, willing to accept in pursuit of its strategic objectives.

The Risk management section of this Corporate Governance Statement and in our 2024 Annual Report provide more detail on our approach to risk management.

The Board also reviews the Company's corporate governance framework, which includes the systems, policies and processes the Company uses to operate, make decisions and hold people to account.

During the year, the Board continued to improve governance practices. This included:

- reviewing Board and Board committee charters and management committee charters
- reviewing the risk management framework, corporate governance framework and related policies including the Code of Conduct, Whistleblower Policy, Anti-bribery & Corruption Policy, Share Trading Policy, Continuous Disclosure Policy and Diversity & Inclusion Policy
- expanding the Board Risk Committee to the Board Risk & Continuous Disclosure Committee, and including continuous disclosure as a specific responsibility and standing agenda item
- reviewing cyber-security resilience and business continuity
- formalising Board oversight of sustainability and climate-related reporting requirements
- reviewing the Board's skills matrix to assist with Board renewal and succession planning, and appointing Bruce MacDiarmid to the Board on 1 August 2024.

In addition, we have increased our governance capacity with the appointment of a Chief Operating Officer (**COO**), Head of Risk & Compliance, Head of People & Culture and Head of Sustainability.

Board and management roles and responsibilities

The Board Charter sets out the role and responsibilities of the Board and its committees. The Board Charter is published on Soul Patts' website.

The Risk management section of this Corporate Governance Statement, and the Remuneration Report in the 2024 Annual Report, also provide more detail about the Board's oversight of risk and remuneration.

The Board generally has ten regular Board meetings each year. Additional Board meetings are held during the year to approve investments above delegated levels or to consider specific matters that need Board approval. All Board members are invited to attend all Board committee meetings and have access to all Board committee papers and minutes.

The Board has a culture of open and frank discussion, where all views are respectfully considered. Between Board meetings, management notifies the Board of material matters when they arise. The 2024 Annual Report sets out the number of Board and committee meetings held during the year and each Director's attendance.

The MD & CEO is responsible for the day-to-day management and performance of Soul Patts in accordance with the strategy, plans and policies approved by the Board. The MD & CEO is authorised to exercise all the powers of the Directors, subject to matters that are reserved for the Board or a Board committee. The Board monitors the activities of the MD & CEO and senior executives in the performance of their delegated duties.

The Board has established and delegated its authority for specific responsibilities to four standing committees:

- Audit Committee
- Risk & Continuous Disclosure Committee
- People, Culture & Remuneration Committee
- Nomination Committee.

The authority of each committee is set out in its charter, which is available on our website.

The Board committees assist the Board with oversight of the following matters:

Audit Committee	Risk & Continuous Disclosure Committee	People, Culture & Remuneration Committee	Nomination Committee
<ul style="list-style-type: none"> • External reporting of financial information, including compliance with statutory financial reporting requirements • External auditors • Adequacy of internal controls in relation to accounting, financial records and financial reporting requirements, including referring matters relating to the duties and responsibilities of other Board committees to the relevant committee 	<ul style="list-style-type: none"> • Set the risk appetite, including the balance of risk and reward for new and existing activities • Monitor the operation of the risk management framework • Consider Soul Patts' continuous disclosure obligations 	<ul style="list-style-type: none"> • People and culture matters • Remuneration policy • Remuneration of the MD & CEO and key management personnel (KMP) • Director remuneration • Matters referred to the Committee by the Board 	<ul style="list-style-type: none"> • Selection of new Directors of the Board of Soul Patts • Nomination of Directors for re-election • Succession planning for the Board and MD & CEO • Development of a process to evaluate the performance of the Board and Directors

Soul Patts has three management committees with oversight of the following matters:

Management Risk & Continuous Disclosure Committee	Management Investment Committee	Management Structured Credit Advisory Committee
<ul style="list-style-type: none"> • Assist the Board in setting the risk appetite, including the balance of risk and reward for new and existing activities, and in monitoring the operation of the risk management framework • Soul Patts' continuous disclosure obligations 	<ul style="list-style-type: none"> • Investment strategy and policy recommendations to the Board • Material new investments or changes to existing investments within Board-delegated limits • Soul Patts' investment portfolio risks and opportunities 	<ul style="list-style-type: none"> • Structured credit transactions that Soul Patts considers and effects for its own balance sheet

Soul Patts' Board and governance framework continued

Board and committee membership

The table below sets out each Director's tenure and committee membership as at 31 July 2024.

Director name	Appointment date	Years of service	Audit Committee	Risk & Continuous Disclosure Committee	People, Culture & Remuneration Committee	Nomination Committee
Composition			All members are Independent Non-Executive Directors	All Directors are members	The majority of members are Independent Non-Executive Directors	The majority of members are Independent Non-Executive Directors
Robert Millner AO	Non-Executive Director Appointed 1984 Chairman since 1998	40 (25 as Chairman)		R	P	N
Todd Barlow	Managing Director & CEO Appointed 2015	8		R		
Michael Hawker AM	Lead Independent Non-Executive Director Appointed 2012	11	A	R	P	N
Tiffany Fuller	Independent Non-Executive Director Appointed 2017	6	A	R	P	N
Josephine Sukkar AM	Independent Non-Executive Director Appointed 2020	4		R	P	N
Joe Pollard	Independent Non-Executive Director Appointed 2022	2	A	R	P	N
David Baxby	Independent Non-Executive Director Appointed 2023	1		R	P	N

Key to Committee membership

● Committee chair

○ Committee member

A Audit

R Risk & Continuous Disclosure

P People, Culture & Remuneration

N Nomination

Director tenure

The Board benefits from having a balance between longer serving directors and directors with shorter tenure. At 31 July 2024, three Directors have been on the Board for five years or less.

42.8%	0–5 years
28.6%	6–10 years
28.6%	Over 10 years

Board skills and experience

The Board's Directors have the appropriate mix of skills, knowledge and experience needed to guide the Company. This collective expertise ensures the Board exercises independent judgement, addresses current and emerging business issues, and develops and supports Soul Patts' strategy.

In 2024, the Board undertook a review of its skills matrix to identify the competencies and perspectives that add value to the Company. This will also assist with Board renewal and succession planning.

The skills matrix below sets out Directors' self-evaluation for each skill category.

Skill category	Skill description	Directors' skill rating
Investment management	Experience as an investment fund manager responsible for the investment performance of a fund or fund management business, with a broad understanding of asset valuation, business drivers, risk/reward decisions and the impact of leadership and culture on performance.	4 3
Senior level business management	Experience as a C-suite or executive committee member in a business operating role with P&L accountability and people management responsibility. Understand the practical aspects of company culture, good management, differing business models, and the business drivers of performance.	6 1
Merger and acquisition, corporate transaction and financial analysis	An understanding of capital management strategies, valuation of assets, corporate finance strategies and/or practical experience in buying and selling corporations.	3 2 2
Accounting and financial reporting	Proficient at interpreting and analysing financial accounts and reporting both P&L and balance sheet as well as being able to analyse underlying cash flows.	3 4
Risk management and legal expertise	An understanding of risk management and mitigation and how to set the risk appetite of an organisation to achieve its objectives while operating at an acceptable level of risk. A good working knowledge of the commercial law relevant to Soul Patts' business.	2 5
Listed company non-executive director experience	Experience in understanding shareholder and broader stakeholders relevant to Soul Patts, ASX governance rules and general regulatory requirements of listed and investment companies.	4 3
Business development and strategy	Understanding of macroeconomic and mega trends on future business performance, and their impact on customer and community behaviour that will affect investment performance.	6 1
Innovation, entrepreneurship and technology	An understanding of how technology is changing the competitive environment, the technologies available to enhance business performance and experience in implementing technology transformations. A history of being customer-centric, finding solutions to complex customer problems and a history of new product or service development or oversight.	2 3 2
Expertise or experience in Soul Patts' key industry investments	Experience in one or more of Soul Patts' strategic investment industries: telecommunications, mining, building products, pharmaceutical, financial services and agriculture, education and wealth management.	5 2
Sustainability and people and culture	Experience understanding and identifying risks and opportunities arising from environment and social issues and sustainability reporting. Understanding organisational culture and workforce capability matters including executive succession planning, talent management, and remuneration and reward structures.	1 5 1

High: Recognised as an expert on the basis of high competency, knowledge and experience
Practised: Strong understanding of the concepts and issues built on repeated practical or direct experience
Awareness: Good general awareness and understanding

To ensure the skills matrix above is accurate for the year ended 31 July 2024, values for new Director Bruce MacDiarmid who was appointed effective 1 August 2024 have not been included.

More details of each Director's qualifications and experience, including Bruce MacDiarmid, are set out in the Directors' Report in our 2024 Annual Report. Bruce MacDiarmid's skills, experience and other relevant information will also be provided in the 2024 Annual General Meeting Notice of Meeting, where he will be eligible for election by shareholders.

Soul Patts' Board and governance framework continued

Director independence

Soul Patts' Board comprises a majority of independent, professional and highly experienced Directors.

We assess the independence of Non-Executive Directors when they are appointed and then each year after that. All Directors, except for the MD & CEO Todd Barlow, are non-executive.

The Board has reviewed the independence of its members against the ASX Principles and considers the following Non-Executive Directors to be Independent Directors at 31 July 2024:

- Michael Hawker AM – Lead Independent Director
- Tiffany Fuller
- Josephine Sukkar AM
- Joe Pollard
- David Baxby.

Recommendation 2.5 specifies that the Chairman of the board of a listed entity should be independent. The Chairman, Robert Millner AO, has interests and associations that may affect his independence.

- Robert Millner AO has relevant interests in substantial shareholdings in Soul Patts as disclosed to the ASX in the Directors' Report in the 2024 Annual Report.
- He is also a director of Brickworks Limited, which is a major shareholder of Soul Patts.

However, the Board does not believe that a Director:

- holding shares in Soul Patts
- having an interest in a substantial holding in Soul Patts
- being associated with a substantial shareholder of Soul Patts

is detrimental to other shareholders.

The Board considers that these holdings further align the interests of Directors with the interests of the Company's shareholders. Robert Millner AO is the 4th generation of family members involved in the governance of the business. In addition, his experience as a Director and Chairman, and his skills as an experienced investor, are key assets for the business.

The Board considers that Robert Millner AO acts independently in executing his duties as a Director.

To manage any actual or potential conflicts of interest or duty, the Independent Directors have established an Independent Board Committee, chaired by Lead Independent Director, Michael Hawker AM.

The responsibilities of the Lead Independent Director include acting as Chairman of the Board when the Chairman may be conflicted, chairing meetings of the Independent Board Committee, assisting to review the performance of the Chairman and providing a separate channel of communication for internal and external stakeholders and shareholders, particularly where those communications may involve the Chairman or an associate of the Chairman.

Michael Hawker AM also chairs the Nomination Committee and the Board Risk & Continuous Disclosure Committee. All members of the Audit Committee, including the Chair Tiffany Fuller, are Independent Directors and the People, Culture & Remuneration Committee is chaired by Independent Director Josephine Sukkar AM.

Managing conflicts

All Directors bring their independent views and judgement to the Board. In accordance with the *Corporations Act 2001*, they inform the Board if they have any interests that could conflict with those of Soul Patts. The Board's Guidelines for Dealing with Conflicts of Interest set out the process to manage all perceived, actual and potential conflicts of interest. Directors must disclose actual, potential or perceived conflicts.

To manage a conflict, the Director:

- will not receive board papers on the subject of interest, but may, at the discretion of the other Directors, be advised that certain board papers have been excluded
- cannot be present when the matter is considered unless otherwise permitted by law or the other Directors resolve that the Director in question can be present
- cannot vote on the matter unless the other Directors resolve that the Director in question can vote
- cannot have access to minutes of the Board or any Board committee meeting in relation to the subject of interest
- may be required by the Board to take other steps that may be necessary and reasonable to resolve any conflict of interest within an appropriate period.

Board renewal and diversity

Soul Patts' Constitution states that its Board must comprise no fewer than three and no more than ten Directors. At 31 July 2024, the Board had six Non-Executive Directors and one Executive Director with a gender diversity of 42.9% (three) female directors. The Board is committed to maintaining gender diversity.

On 31 December 2023, Thomas Millner retired from the Board after serving 13 years as a Non-Executive Director. On 1 August 2024, Soul Patts welcomed Bruce MacDiarmid who was appointed as Non-Executive Director. In November 2024, Michael Hawker AM will retire from the Board after serving 12 years as a Non-Executive Director.

The Board undertakes background checks before a person is appointed as a Director of Soul Patts or before any external candidate is put forward to the shareholders of Soul Patts for election or re-election as a director. We also conduct background checks before any successful candidate is appointed to a senior executive role.

The background checks for directors include criminal record, bankruptcy, confirmation that the director is not banned or disqualified from managing corporations, character references and verification of work experience. We also consider current and previous directorships and independence.

Information about the skills, expertise and experience of people standing for election or re-election as a director at a meeting of shareholders is included in the explanatory notes that accompany the notice of the meeting.

Soul Patts has written agreements with each Director and senior executive that set the terms of their appointment. Material terms of appointment include:

- remuneration
- duties and responsibilities, including compliance with Company policies
- disclosure and notification obligations
- indemnification and officers' liability insurance
- the requirement for election and subsequent re-election by shareholders.

Nomination Committee

The Board's Nomination Committee reviews and considers the structure, balance of skills and diversity of the existing Board and makes recommendations regarding appointment, retirement and approval of Directors to stand for re-election.

All the members of the Committee are Non-Executive Directors and the majority are Independent Directors. The Committee is chaired by Independent Director, Michael Hawker AM. The Committee had at least three members at all times during the year.

The Nomination Committee met six times during the year. The attendance of Committee members at meetings is detailed in the Directors' Report in the 2024 Annual Report.

The Nomination Committee Charter sets out the process the Committee uses to identify and select candidates, and the requirement for a diverse range of candidates to be considered. The Nomination Committee Charter can be viewed on our website.

When a vacancy occurs, the Nomination Committee identifies the necessary and desirable skills, diversity, expertise and experience required to complement the Board. It then identifies the most appropriate candidates.

The Nomination Committee considers the results of the appraisal of the Board's performance, the performance of each Director and ongoing succession planning.

The Nomination Committee may engage recruitment consultants and other independent experts to undertake research and assessment on behalf of Soul Patts.

Directors are initially appointed by the full Board, following consideration of recommendations made by the Nomination Committee. Directors are then subject to re-election by Soul Patts' shareholders at the next annual general meeting.

Soul Patts has a program for inducting new Directors and for periodically reviewing whether there is a need for Directors to undertake professional development. Soul Patts provides professional development opportunities for Directors as agreed with individual Directors to maintain the necessary skills and knowledge required to discharge their responsibilities.

Soul Patts' Board and governance framework continued

Diversity and inclusion

Soul Patts is committed to promoting diversity and a safe and inclusive culture. We strive to create a working environment that provides equal opportunities and embraces diversity in all our interactions with our employees (including prospective employees), workplace participants, clients, Board members, Directors and in the communities within which Soul Patts operates.

Our approach to diversity and inclusion seeks to:

- **promote diversity of perspectives.** Key to our long-term success has been our focus on making sensible decisions, thinking outside the box and having the courage to be different
- **foster inclusion.** We encourage employees to work as a team and respect others. We believe that a one size fits all approach does not foster inclusion. Therefore we leverage the different perspectives we have within our team to build an inclusive workplace
- **empower our employees.** We are guided by the needs of our employees in providing them with support to achieve their potential.

When appointing new staff or promoting people within the organisation, we select the most suitable candidates through a merit-based process. Our recruitment, selection and succession planning processes consider diversity and objectives for achieving diversity, including gender balance.

During the current reporting period, we reviewed and updated our Diversity & Inclusion Policy. This sets out how we provide equal access to opportunities, irrespective of background or difference, and create a workplace where our people feel respected, valued for their contribution and empowered to achieve. The policy can be viewed on our website.

The Diversity & Inclusion Policy governs the conduct of all directors and employees. Employees receive annual training on the policy.

Soul Patts is a reporting entity under the *Workplace Gender Equality Act 2012 (WGE Act)*. The purpose of the WGE Act is to:

- promote and improve gender equality (including equal remuneration between women and men) in employment and in the workplace
- support employers to remove barriers to the full and equal participation of women in the workforce
- promote, amongst employers, the elimination of discrimination on the basis of gender in relation to employment matters (including in relation to family and caring responsibilities)
- foster workplace consultation between employers and employees on issues concerning gender equality in employment and in the workplace
- improve the productivity and competitiveness of Australian business through the advancement of gender equality in employment and in the workplace.

This purpose is consistent with Soul Patts' core values and aligned with the behaviour and expectations in the Code of Conduct published on our website.

Workforce diversity

On 31 July 2024, 48% of our employees were female and 43% of employees in senior management roles and above were female. The table below sets out our gender representation as at 31 July 2024 based on categories defined by the Workplace Gender Equality Agency (WGEA).

Job category	Male	Female	Total
KMP	2	0	2
General Manager	3	1	4
Senior Manager	3	5	8
Other Manager	10	4	14
Non-manager	11	17	28
Total headcount¹	29	27	56

1 Includes full-time, part-time and casual employees.

On 31 July 2024, the Board had four male and three female Directors (57.1% : 42.9%).

Board and management diversity and inclusion governance

Soul Patts is committed to gender diversity across all levels of the Company.

The Board has set measurable objectives for achieving gender balance in the composition of senior executives and the workforce generally. These objectives are supported by recruitment and workplace practices to support a culture that attracts a diverse workforce. The Board considers the diversity of the Board and senior management as part of its succession planning.

Review of performance

Performance of the Board and Board committees

The Board monitors the effectiveness of its oversight and meetings during the year. It conducts periodic reviews of its performance, the performance of the Board's standing committees and the performance of individual directors.

The Nomination Committee develops the process for conducting this review, and it is approved by the Board. Typically, the process includes individual discussions with each Director by the Chairman (or periodically by an external facilitator) and the use of a self-assessment questionnaire to cover matters such as: Board composition and renewal, Chair leadership, strategy, performance monitoring, risk management, Board and committee performance and culture, the Board/management relationship, Board processes and papers, talent, succession and remuneration and stakeholder management. A summary of the results is discussed at a Board meeting.

In FY24, a Board and committee performance review was facilitated externally. The results were discussed by the Board.

Performance of senior executives

The Board evaluates the performance of Executive KMP with reference to the overall performance of Soul Patts and individual non-financial performance measures aligned to Soul Patts' purpose and strategy.

The MD & CEO evaluates the performance of his direct reports (**Executive Leadership Team** or **ELT**) and reviews the performance assessments from each ELT member in relation to their team.

For FY24, a performance evaluation has been undertaken in accordance with the above process.

The Remuneration Report included in the 2024 Annual Report sets out further detail on the criteria used to assess performance and alignment of performance with remuneration.

Performance of Company Secretaries

The Company Secretaries are accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board and its committees. Each Director may communicate directly with the Company Secretaries and vice versa.

The Company Secretaries are responsible for advising the Board and its committees on governance matters and giving practical effect to the Board's decisions.

The decision to appoint or remove a Company Secretary is approved by the Board.

The Board appointed David Grbin and Pamela Longstaff as Company Secretaries effective August 2023. Details of each Company Secretary's qualifications and experience are set out in the Directors' Report in the 2024 Annual Report.

Our culture and values

Our culture

The strong principles and values that underpin our approach to corporate governance promote transparency, fair dealing and the protection of stakeholder interests. Soul Patts is committed to embedding high standards of corporate governance, which it considers integral to building a sustainable and profitable business.

The Board 'sets the tone from the top' in a clear and visible way. The desired behaviours, as set out in our Code of Conduct, are aligned with our values. Senior executives demonstrate and communicate these behaviours to staff.

The Board champions risk management through its leadership and decision-making. The Board endorses Soul Patts' strategy each year, taking into consideration the Board-approved risk appetite, so that business and strategic decisions are aligned with our purpose of generating enduring success.

We recruit talented professionals who demonstrate commitment to our purpose, our values and delivering a high level of performance for our shareholders. Our Code of Conduct articulates the values and behaviour we expect of our people. It is published on our website.

The Board monitors culture by engaging with management and staff. Over the past year, this included:

- completing our second company-wide culture and engagement survey, the results of which outperformed the top quartile of finance organisations in Australia
- introducing programs to develop our top talent, including specific initiatives for our female employees such as industry memberships and events. In June 2024, Soul Patts was recognised in the *Australian Financial Review* Women in Leadership Awards, with our COO, Jaki Virtue, announced as the winner in the Financial Services non-banking category
- the important role we play in our sector in nurturing and developing our future leaders and increasing female representation in the sector. Soul Patts employs interns in paid roles. As of 31 July 2024, interns constitute nine of our 56 staff members, with a gender balance of four female : five male interns.

Employee value proposition

This year, we focused on further improving our employee value proposition (**EVP**). We did this through programs to attract, retain and engage our people. In boosting our EVP, we considered the needs and expectations of current and prospective employees in areas including:

- remuneration – ensuring our remuneration levels and structure are appropriate and competitive
- benefits – ensuring our employee benefits meet industry best practice and respond to what resonates most with our people, with initiatives including enhancing our parental leave policy entitlements
- career development and growth opportunities – providing clear pathways for career advancement and personal development
- wellbeing – promoting policies and activities that support employee wellbeing, including annual flu vaccinations, driving usage of our Employee Assistance Program and conducting a safety audit, including both physical and psychological safety
- Soul Patts' culture and values – reinforcing and cultivating the strong and positive culture developed over many years, including our commitment to responsible business practices
- diversity and inclusion – committing to a diverse and inclusive workplace that values different perspectives and experiences
- philanthropy and corporate giving – engaging in and supporting philanthropic initiatives that matter to our people, including launching our volunteer leave initiative.

Our values

We are proud of the values-based culture we have developed over several generations. This continues to be the core driver of our success. Our people embody our values of integrity, initiative and accountability.

Soul Patts employs a diverse workforce of 56 people as at 31 July 2024. Our EVP sees us attracting and retaining the best people, who support and drive our purpose of generating enduring success. Our culture is our competitive advantage. It underpins and drives our investment approach. We are best known for our collaborative decision-making, which ensures capital flows to the best asset classes.



Professional conduct

Soul Patts has a Code of Conduct and an Appropriate Workplace Behaviour Policy that articulate our values and deal with matters of integrity and ethical standards. The Board recognises the need for Directors and employees to adhere to the highest standards of behaviour and business ethics.

Soul Patts expects all directors and employees to:

- maintain and enhance the Company's reputation. This includes:
 - acting in accordance with ethical and professional standards
 - acting with honesty and integrity in dealings with shareholders, suppliers, competitors and other stakeholders
 - protecting the reputation of the Company when dealing with actual or potential conflicts of interest between private and Company matters
 - avoiding conflicts where possible
- be custodians of shareholder wealth, protect Company assets and confidential information. This includes:
 - complying with the Company's legal and regulatory obligations
 - following the Company's policies
 - not accepting unauthorised benefits as a result of their position in the Company
 - not engaging in insider trading
- create a respectful workplace. This includes:
 - treating everyone with fairness and respect
 - reporting discrimination, harassment or bullying
 - acting in accordance with the highest standards of workplace behaviour.

Several Board-approved policies (described below) set out the standards of behaviour we expect of staff. These are intended to instil a culture of acting lawfully, ethically and responsibly.

Aligned with its Code of Conduct, Soul Patts also has:

- a Share Trading Policy setting out prohibited periods for Directors and staff trading in securities of the Company
- a Whistleblower Policy to promote a culture of corporate compliance and highly ethical behaviour
- an Anti-bribery & Corruption Policy to articulate our commitment to a culture of zero tolerance relating to bribery, corruption and facilitation payments
- an Appropriate Workplace Behaviour Policy to create a respectful workplace free from discrimination, harassment and bullying
- a Risk Management Strategy setting out our risk management framework, including the escalation process for identifying and reporting risk.

The Code of Conduct is available on our website.

All employees receive training on the Code of Conduct and other key policies as part of their onboarding. Additionally, we provide all employees internal compliance training in cyber-security, anti-money laundering and workplace safety. Senior executives monitor compliance with the policies.

The Whistleblower Policy sets out the process for making complaints, the people who can receive information on disclosable matters and the protections available to eligible whistleblowers under the *Corporations Act 2001* to protect anonymity. All whistleblower complaints are reported to the Board. Concerns can be raised anonymously, including through an externally managed hotline. We encourage staff to escalate matters to management and remind them of their ability to disclose complaints under the Whistleblower Policy.

We provide employees with training and education on the Whistleblower Policy. This includes:

- the key arrangements of the Company's Whistleblower Policy, processes and procedures
- information related to protecting and supporting disclosers
- information about matters that are not covered by the Whistleblower Policy
- information on how and where employees can report general employee feedback or personal work-related grievances
- practical examples of circumstances where disclosure has led to positive outcomes for the Company and the discloser.

Material breaches of Soul Patts' policies are reported to the Board Risk & Continuous Disclosure Committee. Breaches of policy are also considered in assessing an individual's performance and related remuneration. In FY24, there were no concerns raised in relation to, or material breaches of, the Code of Conduct, the Share Trading Policy, the Whistleblower Policy, the Anti-bribery and Corruption Policy or the Appropriate Workplace Behaviour Policy.

Financial reporting and assurance

Audit Committee

The role of Soul Patts' Audit Committee is set out from page 4. The Audit Committee's Charter is published on our website.

The Chair of the Audit Committee and all members are Independent Non-Executive Directors. The Chairman of the Board is not a member of the Audit Committee. The Audit Committee had at least three members at all times during the year.

Membership of the Audit Committee is detailed in the table of Board and committee membership on page 6 of this Corporate Governance Statement.

The Audit Committee met eight times during the year. The Directors' Report in the 2024 Annual Report sets out attendance of committee members at meetings and their qualifications and experience.

Financial reporting assurance

The MD & CEO and the Chief Financial Officer (**CFO**) are required to state in writing to the Board that:

- in their opinion, the financial records of Soul Patts have been properly maintained
- in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Soul Patts
- their opinion is formed on the basis of a sound system of risk management and internal compliance and control, which is operating effectively in all material respects.

The Board received these declarations before approving the half-year and full-year financial statements for FY24.

Auditor engagement and independence

The lead engagement partner for the external auditor, Ernst & Young, attends Audit Committee meetings and reports on the results of their half-year review and full-year audit. During the year, the external auditor also had private sessions with the Audit Committee without members of management present.

In accordance with the *Corporations Act 2001*, the Company's External Auditor Independence Policy requires the lead audit partner and quality control review partner to be rotated every five years.

The external auditor provides us with a declaration of their independence as part of their half-year review and full-year audit.

Proposals to engage the external auditor for non-audit assignments above a set dollar threshold require approval from the Audit Committee or Audit Committee Chair. The quantum of fees paid to the external auditors, including a breakdown of audit and non-audit services, is provided in the Directors' Report in our 2024 Annual Report.

The lead engagement partner for Soul Patts' external auditor attends the Annual General Meeting each year. They are available to answer shareholder questions about the conduct of the audit and the preparation and content of the Audit Report.

Due diligence on unaudited periodic corporate reports

Soul Patts periodically releases corporate reports to the market that are unaudited or not reviewed by the external auditor, such as annual Directors' reports, sustainability reports, corporate governance statements and investor presentations (**corporate reports**).

Before we release a corporate report, we undertake a verification process to ensure the report is materially accurate, balanced and provides investors with the information they need to make informed investment decisions.

Soul Patts' process to verify the integrity of any corporate report depends on the nature of the information in the report. The process typically includes:

- internal subject matter experts draft the relevant sections of the report and take steps to verify and sign-off on the accuracy of the statements made or the information provided through either:
 - firsthand knowledge, or
 - evidence such as analysis, original document or confirmation from another person with appropriate firsthand knowledge and accountability
- statutory reports are reviewed by the CFO, investment analysis is reviewed by the Chief Investment Officer (**CIO**) and non-financial components are reviewed by the MD & CEO and COO
- the report as a whole may also be reviewed by external advisors
- where formal Board approval is required, the appropriate Board committee will consider the corporate report before it is approved by all members of the Board
- any matters not requiring formal approval by the Board are approved by the MD & CEO or Chairman for release to the market.

Continuous disclosure and shareholder engagement

Soul Patts respects the rights of its shareholders and provides access to appropriate information about the Company in a timely manner.

Website

Soul Patts' website, www.soulpatts.com.au, provides information about the Company and its governance. The People and Governance section provides links to:

- details of Directors and senior executives
- Soul Patts' Constitution, charters and policies
- other corporate governance materials including the Corporate Governance Statement and the Company's Modern Slavery Statement.

The website also provides copies of current and past annual reports, financial reports, key financial dates, share registry details, material presentations and ASX announcements.

Market updates

The Board recognises the need to provide all investors with equal and timely access to material information regarding Soul Patts and for announcements to be factual, clear, balanced and complete.

In 2024, the Board reinforced its commitment to continuous disclosure under the *Corporations Act 2001* and the ASX Listing Rules. It did this by expanding the Board Risk Committee to the Board Risk & Continuous Disclosure Committee and the Management Risk Committee to the Management Risk & Continuous Disclosure Committee. Continuous disclosure is a standing item on both committee agendas.

Soul Patts' Continuous Disclosure Policy provides the framework for compliance with our continuous disclosure obligations. It requires timely disclosure through the ASX announcement platform of information concerning Soul Patts that a reasonable person would expect to have a material effect on the price or value of Soul Patts' securities, or which would materially influence the decision-making of investors.

The following internal procedures are in place to ensure that relevant information is communicated promptly:

- new and substantive investor or analyst presentation materials are released to ASX before the presentation is given
- shareholders are given the opportunity to participate in market update presentations
- the Board receives copies of all material market announcements promptly after they have been made.

The Chairman and MD & CEO are responsible for determining disclosure obligations for the Company.

The nominated ASX continuous disclosure contact for the company will ordinarily be a Company Secretary, with any change being notified to the ASX. The Continuous Disclosure Policy is available on our website.

Investor relations

Soul Patts has an investor relations calendar that provides opportunities for investors to attend presentations given in person by the MD & CEO and other senior executives in a number of capital cities. The investor relations calendar is available on our website.

Shareholder meetings

Soul Patts facilitates two-way communication with investors. We actively promote shareholder attendance and participation at the annual general meeting and other meetings of shareholders.

The 2024 Annual General Meeting will be held in Sydney on Friday 22 November 2024. The Notice of Meeting will provide further detail about the Annual General Meeting and how shareholders can participate.

The external auditor attends the Annual General Meeting to answer shareholders' questions about the conduct of the audit and the content of the Auditor's Report.

Shareholders who cannot attend the Annual General Meeting are encouraged to vote by proxy and ask questions ahead of the meeting on the resolutions to be considered at the meeting. All resolutions at the 2023 Annual General Meeting were decided on a poll.

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. Shareholders can elect to receive electronic communications by contacting Computershare, our share registry. Computershare's contact details are provided on our website.

Risk management

Risk management framework

At Soul Patts, we see robust risk management as integral to our ability to create and protect value for our shareholders. Our risk management framework strengthens our resilience against uncertainties, ensuring that we can adapt and thrive in an ever-evolving risk landscape.

The Board approves the Risk Management Strategy, Risk Appetite Statement and Delegations of Authority. The Risk Management Strategy formalises the guiding principles for risk management at Soul Patts and the systems in place to proactively manage risk on an ongoing basis. The Risk Appetite Statement defines the level of risk that Soul Patts is, or is not, willing to accept in pursuit of its strategic objectives.

There are five risk pillars that provide the foundation of our risk management framework. These pillars reflect Soul Patts' approach to managing risks in its daily operations. These risk pillars are:

- investment
- regulatory and compliance
- sustainability
- brand and reputation
- strategic and operational.

Soul Patts has a Management Risk & Continuous Disclosure Committee, chaired by the COO, which monitors the operation of the risk management framework. This Committee is accountable to the Board Risk & Continuous Disclosure Committee. See following section for more information on the Board Risk & Continuous Disclosure Committee.

We also have key policies and procedures that help us to identify, analyse, evaluate, treat, monitor and report risk. This ensures a consistent approach to risk-based decision-making. These policies are published on our website.

The directors of each company we invest in manage the operations and associated risks and opportunities of their businesses. The level of our governance and risk oversight across our investment portfolio is commensurate with the size and nature of our ownership, and can include:

- appointing nominee directors and voting in relation to Soul Patts' holdings
- setting and communicating standards and expectations
- engaging with investee company boards and their senior management
- monitoring the performance of each investment, industry trends and macroeconomic factors.

Risk & Continuous Disclosure Committee

The Board Risk & Continuous Disclosure Committee is responsible for reviewing the effectiveness of the risk management framework. This ensures that Soul Patts' material risks are managed, and the company is operating with due regard to the risk appetite set by the Board. The Committee's role and responsibilities are set out in the Charter published on our website.

At 31 July 2024, all Board members are members of the Risk & Continuous Disclosure Committee, and accordingly it has the full power of the Board. The Chairman of the Risk & Continuous Disclosure Committee is the Lead Independent Director, Michael Hawker AM and a majority of the members are Independent Directors. The membership of the Risk & Continuous Disclosure Committee is shown in the table of Board and Committee membership on page 6 of this Corporate Governance Statement.

The Risk & Continuous Disclosure Committee met four times during the year and conducted a review of the risk management framework. Committee members' attendance is set out in the Directors' Report in the 2024 Annual Report.

The Board's Audit Committee and People, Culture & Remuneration Committee oversee some aspects of risk management. The Audit Committee assists with oversight of risks relating to financial reporting. The People, Culture & Remuneration Committee assists with oversight of risks relating to our people and their workplace and ensures risk is reflected in remuneration outcomes.

For more information about Soul Patts' approach to financial risk management, refer to the Risk management section in the Directors' Report and Note 20 of the 2024 Annual Report.

Assurance

With the implementation of changes arising from the annual review of risk management, the Risk & Continuous Disclosure Committee is satisfied that the risk management strategy continues to be sound, and that Soul Patts is operating within the risk appetite set by the Board.

The Board receives a management representation letter from the MD & CEO and CFO each half-year and year-end before approving Soul Patts' financial reports. This letter confirms that Soul Patts' internal controls are sound and operating efficiently.

Soul Patts is an investment company with 56 direct employees as at 31 July 2024. Employees work predominantly in investment, finance and operations. The size and nature of Soul Patts does not justify an internal audit function. However, other functions and committees (for example, Management Risk & Continuous Disclosure Committee and the risk and compliance function) conduct periodic internal reviews of the operational effectiveness of governance, risk management and internal controls. External professional advisers are also retained from time to time to assist with these matters.

Sustainability governance and oversight

Soul Patts has a proud history of focusing on our shareholders and delivering strong net returns over the long term. Thinking, behaving and investing responsibly underpins this approach. Our commitment to strong corporate governance and effective risk management is integral to our ability to create and protect value.

During the year, the Board amended its Charter to formalise its oversight for sustainability and climate-related reporting. As set out in the risk management framework section above, sustainability is one of the risk pillars that underpins our risk management framework. Sustainability factors are also considered in connection with each of the other risk pillars including investment, regulatory and compliance, brand and reputation, strategic and operational.

Further information about our approach to risk management is set out in our Directors' Report, included with the 2024 Annual Report and our 2024 Sustainability Report published on our website.

Remuneration

Oversight of remuneration

Remuneration governance structure

The following diagram illustrates Soul Patts' remuneration governance structure. Further information on the Board and People, Culture & Remuneration Committee Charters is available on our website.



People, Culture & Remuneration Committee

The Board's People, Culture & Remuneration Committee consists of a majority of Independent Non-Executive Directors. It is chaired by an Independent Non-Executive Director. The Committee had at least three members at all times during the year.

The membership of the People, Culture & Remuneration Committee is set out in the table of Board and Committee memberships on page 6 of this Corporate Governance Statement.

The People, Culture & Remuneration Committee met five times during the year. The attendance of Committee members at meetings is set out in the Directors' Report in the 2024 Annual Report.

The People, Culture & Remuneration Committee Charter is published on our website.

Approach to remuneration

Soul Patts' remuneration strategy and principles are aligned with our purpose and guided by our values of integrity, initiative and accountability.



Remuneration continued

Executive remuneration

Our remuneration framework is designed to attract and retain top talent essential for driving long-term success and delivering sustained value to our shareholders. Our emphasis on variable remuneration underscores Soul Patts' commitment to performance-based compensation, which aligns the interests of our team with those of our shareholders.

Delivery today for our shareholders		Sustained delivery tomorrow for our shareholders
Fixed remuneration (FR)	Short-term incentive (STI)	Long-term incentive (LTI)
Attract and retain talent <ul style="list-style-type: none"> Set with reference to market benchmarks, considering the role and responsibilities, the organisation's size and complexity, and the necessary skills and experience Market remunerated roles are generally benchmarked between the 50th (P50) and to 75th (P75) percentiles of similar positions in organisations with comparable activity and scale, with which Soul Patts competes for talent Reviewed annually – individual performance impacts fixed remuneration adjustments Delivered in cash salary, salary sacrificed items and statutory superannuation contributions Effective from 1 August 2024, Soul Patts has introduced a minimum shareholding requirement for Executive KMP, including maintaining Soul Patts shares equal to 200% of fixed remuneration for the MD & CEO and 100% for other Executive KMP 	Earned for delivery of annual goals <ul style="list-style-type: none"> Ensure a portion of remuneration is variable, at-risk and aligned to Soul Patts strategic priorities Target allocation set with reference to market benchmarks for role Outcomes vary depending on individual performance, including demonstrated values and behaviours STI calculated with reference to our investment approach: <ul style="list-style-type: none"> + Increase in Net Cash Flow From Investments Per Share + Outperformance of Adjusted Net Asset Value (post-tax) Per Share compared with the ASX200 Accumulation Index Board retains discretion to increase or decrease the STI outcome Delivered in cash following the announcement of the Company's annual financial results Effective from 1 August 2024, Soul Patts has introduced a 25% deferral in rights 	Earned for long-term value creation <ul style="list-style-type: none"> Align accountability and remuneration with the long-term interests of shareholders by rewarding the delivery of sustained above-market performance Target allocation set with reference to market benchmarks for role Award vesting is subject to minimum company performance requirements being met: <ul style="list-style-type: none"> + Outperformance of 3-Year Total Shareholder Return (TSR) compared with All Ordinaries Accumulation Index + 3-Year Net Asset Per Share Growth (NAPSG) Board retains discretion including malus and clawback Delivered as performance rights which are subject to a 15-year disposal restriction post grant For LTIs granted from 1 August 2024, Soul Patts has decreased the disposal restriction from 15 years to 9 years

The diagram illustrates the timing of executive remuneration components. A horizontal timeline starts with a diamond marker. A green line segment labeled 'Performance year (Year 1)' begins at the start. A green line segment labeled 'At-risk portion' begins at the end of the performance year. A green line segment labeled 'Vesting subject to performance (Year 3)' begins at the end of the at-risk portion. The timeline ends with a diamond marker.

The Board reviews senior executive remuneration annually, after taking into consideration the recommendations of the People, Culture & Remuneration Committee.

The MD & CEO and senior executives are remunerated by way of fixed remuneration, STIs and LTIs.

The STI is a performance-based component of the remuneration framework, designed to drive results without encouraging undue risk-taking. It is evaluated based on the achievement of minimum performance hurdles, along with annual goals and KPIs.

The LTI is a performance-based component of the remuneration framework, designed to reward participants for achieving sustained above market performance. LTIs are granted as performance rights, in accordance with the LTI plan approved by shareholders at the 2017 AGM.

All participants in the long-term incentive plan are prohibited from entering into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the plan.

Further information about executive remuneration is set out in the Remuneration Report in the 2024 Annual Report.

Non-Executive Director remuneration

Our remuneration policy for Non-Executive Directors aims to attract and retain skilled, experienced and committed individuals by appropriately compensating them for their time and expertise. Our policy considers the group's size and scope, the responsibilities and liabilities of Directors, and the demands placed upon them.

Non-Executive Directors receive a base fee for their role on the Board, with additional fees for chairing or being a member of a Board committee. These remuneration levels, which are not subject to performance-based incentives, are reviewed annually by the People, Culture & Remuneration Committee.

Non-Executive Directors are remunerated at competitive market rates, funded from the maximum aggregate amount approved by shareholders, currently set at \$2.75 million per year, as approved at the 2023 annual general meeting. Non-Executive Directors are not entitled to receive performance or equity-based remuneration.

With effect from 31 July 2004, the retiring allowance for Non-Executive Directors was frozen at three times the average annual fees for the three years prior to that date. Non-Executive Directors appointed after 31 July 2004 do not qualify for a retiring allowance. Robert Millner AO is the only Director entitled to a retiring allowance.

The Board encourages Non-Executive Directors to own shares in the Company. However, the Company neither awards shares to Non-Executive Directors nor requires them to maintain a minimum shareholding.

Further information about Non-Executive Directors' remuneration is set out in the Remuneration Report in the 2024 Annual Report.

Further information

For further information concerning Soul Patts' corporate governance practices, refer to the People and Governance section of our website.

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