

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Service Stream Limited
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ABN/ARBN

46 072 369 870
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Financial year ended:

30 June 2020
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <http://www.servicestream.com.au/investors/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at **18<sup>th</sup> August 2020** and has been approved by the board.

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

Date: **18<sup>th</sup> August 2020**


Chris Chapman  
Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a></p> <p>and we have disclosed the information referred to in paragraph (c) at Section 1.5 of our Corporate Governance Statement.</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at Section 1.6 of our Corporate Governance Statement.</p> <p>And whether a performance evaluation was undertaken for the reporting period in accordance with that process within at Section 1.6 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at Section 1.7 of our Corporate Governance Statement.</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process within our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: Section 2.1 of our Corporate Governance Statement.</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 at: n/a</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: Section 2.2 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: Section 2.3 of our Corporate Governance Statement.</p> <p>and, where applicable, the information referred to in paragraph (b) at: Section 2.3 of our Corporate Governance Statement.</p> <p>and the length of service of each director at: Section 2.3 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://www.servicestream.com.au/our-people/our-values">https://www.servicestream.com.au/our-people/our-values</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a></p> <p>and the information referred to in paragraphs (4) and (5) at: page 1 of the FY20 Financial Accounts and Section 2.2 of our Corporate Governance Statement.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>n/a.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Section 6.3 of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a></p> <p>and the information referred to in paragraphs (4) and (5) at: Section 4.1 of our Corporate Governance Statement.</p> <p><i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: n/a</p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Section 7.2 of our Corporate Governance Statement.</p>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at: Sections 4.1 and 7.3 of our Corporate Governance Statement.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p>n/a.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks: Section 7.4 of our Corporate Governance Statement.</p> <p>and, if we do, how we manage or intend to manage those risks: Section 7.4 of our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: Sections 2 and 2.1 of our Corporate Governance Statement.</p> <p>[If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: n/a</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Section 8.2 of our Corporate Governance Statement and in the Remuneration Report contained in the FY20 Financial Accounts.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: <a href="http://www.servicestream.com.au/investors/corporate-governance">http://www.servicestream.com.au/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



# **Corporate Governance Statement**

**July 2020**



## CORPORATE GOVERNANCE STATEMENT

As at 30 June 2020

The Board is committed to achieving and maintaining high standards of corporate governance. This Corporate Governance Statement sets out the extent to which Service Stream Limited's (**Company**) corporate governance practices for the year-ended 30 June 2020 comply with the fourth edition of the ASX Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (**ASX Principles**). This statement addresses:

- the Company's corporate governance framework; and
- key risks and the Company's response to mitigating these risks.

This Corporate Governance Statement was approved by the Board on **14<sup>th</sup> July 2020**.

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

#### Recommendation 1.1

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

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

#### The role of the Board and management

The Board's responsibility and focus is on representing and serving the interests of shareholders by approving the strategic direction for, and policies of, the Company and overseeing performance. The exclusive duties reserved for the Board include:

- appointing the Managing Director and external auditor;
- approving the Company's strategic plan and annual budget;
- setting the remuneration structure for the Managing Director and Senior Executive Team, including the performance hurdles for the long-term and short-term incentive schemes;
- overseeing management's implementation of the Company's strategic plan and its performance against the annual budget;
- approving significant Company policies;
- approving significant capital expenditure;
- approving the half-year and year-end financial statements, dividends and reporting documents;
- approving ASX disclosures; and
- setting the Company's risk appetite and monitoring the effectiveness of the Company's risk management policies and procedures and the adequacy of its internal control mechanisms.

The Board Charter sets out the Board's structure, along with its key roles and responsibilities. The Board Charter is available on the Company's website: <https://www.servicestream.com.au/investors/corporate-governance>.

The Board has also adopted a Reserved Powers Policy that sets out matters specifically reserved for determination by the Board. The Reserved Powers Policy is available on the Company's website: <https://www.servicestream.com.au/investors/corporate-governance>.

#### Delegation to management

Responsibility for the Company's day-to-day operations, administration and management is delegated by the Board to the Managing Director. The Board has approved a Delegation of Authorities Policy to govern the delegation of the Managing Director's authorities to members of the Senior Executive Team and other levels of management throughout the Company, as appropriate.

Authority delegated by the Board to the Managing Director must be exercised:

- within the strategy and risk appetite approved by the Board;
- in accordance with approved policies;
- subject to specific regulatory obligations; and
- utilising the Authority and Delegations Matrix.

The Authority Delegations Matrix is in a mandatory prescribed format to be used in connection with the issuance of authority delegations. Any material changes to those delegations are notified to the Board or Audit & Risk Committee.

**Recommendation 1.2**

A listed entity should:

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

The Board actively and regularly considers the composition of the Board, taking into account the duration of each Director's tenure and the competencies required for the effective oversight of the Company. The Board's Remuneration and Nomination Committee deals with the nomination and appointment of Directors and Board succession planning. When nominating and appointing Directors, the Board considers its diversity objectives and seeks a balanced mix of qualifications, age, skill, gender and experience to achieve the most favourable outcome for the Company and its shareholders.

Appropriate checks are made by the Company prior to appointing a Director or putting forward their nomination for election by shareholders including criminal police checks and director exclusion checks.

Apart from the role of Managing Director, all Directors are subject to re-election by rotation at least every three years. Shareholders are provided with all material information in the Company's possession relevant to this decision.

At the end of each financial year, the Board assesses its performance and that of its Committees and individual members, to ensure its effectiveness in meeting shareholder expectations. In FY20 this was undertaken by a formal internal process including the use of surveys.

Further details of Board members' qualifications and experience is set-out under Recommendation 4.1 and is also available on the Company's website <https://www.servicestream.com.au/investors/board-of-directors>

**Recommendation 1.3**

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

All Directors and Senior Executive Team members have written agreements with the Company.

Directors execute letters of engagement with the Company which include the following terms:

- the term of the appointment;
- Board role and responsibility;
- the Company's expectations of Directors including their expected time commitment, duties to the Company, meeting attendance and preparation;
- committee membership;
- remuneration, including superannuation entitlements;

- the Director's obligations to disclose details of their interests in the Company's securities and any matter which may impact on their independence;
- education and training;
- details of significant Company documents including key policies; and
- indemnity and insurance arrangements.

Senior Executive Team members, including the Managing Director, execute employment contracts with the Company which include the following terms:

- the position and term of employment;
- executive duties and obligations;
- remuneration, including incentive benefits and superannuation entitlements;
- termination rights of the Company and employee including notice periods;
- non-compete restrictions;
- confidentiality obligations; and
- requirement to comply with Company documents including key policies.

#### **Recommendation 1.4**

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Board is responsible for the appointment of the Company Secretary. The Company Secretary is accountable directly to the Board through the Chairman on governance matters and all matters relating to the proper functioning of the Board. The Company currently has two Company Secretaries. Further details on each of the Company Secretary's qualifications and experience is available on the Company's website <https://www.servicestream.com.au/investors/board-of-directors>

#### **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.

The Company is comprised of men and women of varying ages, ethnicities and cultural backgrounds. The Company has a Diversity Policy and an Inclusion Committee which is made up of representatives from across the Company and is chaired by the Executive General Manager for People and Culture. The Inclusion Committee formally reports to the Remuneration and Nomination Committee.

The Inclusion Committee has a wide diversity focus, including gender, cultural heritage, indigenous people and people living and working with disabilities.

Measurable objectives for improving diversity and inclusion achieved during FY20 include:

**1. Embed inclusion into all policies, programs and procurement.**

FY20 Progress:

- Service Stream continues to identify key talent via the Talent and Succession Program implemented in FY15, now including all levels.
- 31% of promotions in FY20 were awarded to women.
- Service Stream continues to prioritise spend within indigenous suppliers where available, supported by continued membership of 'Supply Nation'.
- Service Stream has put in place several program and client specific First Peoples Engagement and Participation Plans.

**2. Build a workplace free of harassment and discrimination.**

FY20 Progress:

- Observance of and participation in International Women's Day (March 2020) including an internal, live panel discussion including 3 female GM's from across the business and moderated by an internal female manager.
- Creation of a new Inclusion at Service Stream participation program (May 2020) including inclusion maps, recipe sharing and colouring competition.
- Bullying and Harassment training was internally developed and delivered to all major Comdain sites and is further being rolled out across the Service Stream site network as required.

**3. Leverage the diversity of all employees and respond to the changing social environment.**

FY20 Progress:

- Specific targeted campaigns to recruit and train indigenous employees, including partnership with the Wirrpanda and Matera Foundations in WA, resulting in ongoing engagement of 14 employees.
- Participation in national cultural and gender awareness Days, resulting in donations to related causes and general raising of awareness.

**4. Invest in the capability of our managers, fostering inclusive leaders.**

FY20 Progress:

- A revised Talent Program was introduced with 2 levels of program including Aspire for emerging Talent and Inspire for established talent. The programs are focussed on leadership development, leadership capability, inclusion and diversity of thought.
- The programs are due to conclude in FY20, where they will be assessed and updated for the following year.

As at May 2020, women constituted 20% (20%) of the Group's employees, 17% (28%) of the board and 11% (10%) of the Executive Team. Figures in brackets represent the same data as at May 2019.

From November 2015 to October 2019, the board comprised two women of six directors (30%). On 2 January 2019, the Company acquired the Comdain Group and Mr. Tom Coen joined the

Board, lowering the percentage of female directors to two out of seven directors (28%). Following Ms Murphy's retirement from the Board at the conclusion of the 2019 AGM, the Board is currently comprised of one female director out of six directors (17%). The Board remains committed to a target of at least 30% women on the Board, and this will be a key consideration as the Board executes its succession plan for the three longstanding directors as outlined in Section 1.6.

The Company's annual public report, which was lodged with the Workplace Gender Equality Agency on 20<sup>th</sup> July 2020, can be found on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>

The Company's Diversity Policy is available on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>

#### **Recommendation 1.6**

A listed entity should:

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

The Board conducts yearly evaluations of the performance of the Board, its committees and individual Directors. These evaluations are conducted by the chair of each committee in the form of a questionnaire. Additionally, the Chairman of the Board undertakes individual performance review meetings with each director on an annual basis. In FY20, individual performance reviews of each director, as well as evaluations of the Board and its Committees, were undertaken.

In FY20, the Board formed the view that having entered the ASX200 and with three longstanding directors, a priority for the Board would be the formulation of an orderly succession plan, including the position of Chairman. The succession plan will be implemented over the course of the next few years, to preserve valuable corporate memory through this transition period.

The Board Charter is available on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>

#### **Recommendation 1.7**

A listed entity should:

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

Each reporting period the performance of the Managing Director and each Senior Executive Team member is measured against key performance indicators and other performance criteria set by the Board. The performance indicators and criteria are comprised of financial, safety and individual performance targets.

The Remuneration and Nomination Committee considers the performance of the Managing Director and members of the Senior Executive Team when formulating remuneration arrangements. During FY20 eligible members of the Senior Executive Team (including the Managing Director) participated in the short-term and long-term incentive plans.

The short-term incentive plan contains measurable key performance indicators with respect to the financial year budget that are approved by the Board, along with safety and individual performance targets.

The long-term incentive plan contains incentive targets for the financial years to which each offer made under the plan applies. The performance rights granted will each vest where the Company's Adjusted Earnings Per Share (**Adjusted EPS**) and Total Shareholder Return (**TSR**) vesting conditions are met. Adjusted EPS is calculated by adding-back to Statutory EPS the post-tax impact of one-off / non-operational items such as transaction and integration costs associated with acquisitions; and the amortisation of customer contracts and relationships arising from acquisitions. While the TSR vesting conditions require the Company's performance over the Performance Period (being 3 years) to rank in the top quartile of a relevant peer group of companies determined by the Board. These incentive targets were adopted by Board following the engagement of external remuneration advisers to develop an appropriate remuneration program for the Managing Director and broader Executive Management Team. Further details on the long-term and short-term incentive plans are set-out in the Company's Remuneration Report.

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

### Board and Committees

As at 30 June 2020, the Board is comprised of six directors: 5 Non-Executive Directors and the Managing Director. The roles of Chairman and Managing Director are performed by different individuals. The Company has written agreements with each Director setting out the terms of their appointment.

The current committees of the Board are:

- the Sustainability, Health, Safety & Environment Committee;
- the Audit and Risk Committee; and
- the Remuneration and Nomination Committee,  
(the **Committees**)

The composition of the Board and its Committees during FY20 is set out below:

Name	Status	Sustainability, Health, Safety & Environment Committee	Audit & Risk Committee	Remuneration & Nomination Committee	Year Appointed to Board
Brett Gallagher	Independent Non-Executive Chairman	Member			2010
Leigh Mackender	Managing Director	Member			2014
Peter Dempsey	Independent Non-Executive Director		Member	Chairman	2010
Deborah Page AM	Independent Non-Executive Director		Chairman	Member	2010
Greg Adcock	Independent Non-Executive Director	Chairman	Member <sup>1</sup>	Member	2016
Tom Coen	Non-Independent Non-Executive Director	Member			2019

<sup>1</sup> Greg Adcock was appointed to the Audit & Risk Committee effective 20 November 2019.

### Meetings

The number of meetings of the Board and Committees held during FY20 and the number of meetings attended by each Director is set out below:

Name	Board		Sustainability, Health, Safety & Environment Committee		Audit & Risk Committee		Remuneration & Nomination Committee	
	N	A	N	A	N	A	N	A
Brett Gallagher	16	15	4	4	-	-	-	-
Leigh Mackender	16	16	4	4	-	-	-	-
Peter Dempsey	16	16	-	-	4	4	4	4
Deborah Page AM	16	16	-	-	4	4	4	4
Greg Adcock	16	15	4	4	3 <sup>#</sup>	3	4	4
Tom Coen	16	15	4	4	-	-	-	-

N – the number of meetings held by the Board or Committee

A – the number of meetings attended by the member of the Board or Committee

# Greg Adcock's appointment to the ARC on 20 November 2019 corresponded with 3 ARC meetings in FY20 as a Committee member

#### Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
  - (1) has at least three members a majority of whom are independent directors; and
  - (2) is chaired by an independent director,
 and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board has established a Remuneration and Nomination Committee (**RNC**). The RNC's role is to assist the Board with its governance responsibilities with respect to remuneration and nomination matters involving the Company including:

- the appointment, performance review and succession planning of the Managing Director, and Non-Executive Directors; and
- remuneration strategies for the Non-Executive Directors, Managing Director and Senior Executives.

All three members of the RNC, being Peter Dempsey, Deborah Page and Greg Adcock, are Independent Non-Executive Directors. The chairman of the RNC, Peter Dempsey, is not the chairman of the Board. Further details on the qualifications and experience of the RNC members is available in the Directors' Report in the Company's Annual Report. Information concerning the attendance of the RNC members at the RNC meetings is available under ASX Principle 2.

The Charter of the RNC is available on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>.

APPROVED BY THE BOARD 14<sup>th</sup> July 2020

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### Recommendation 2.2

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

The Board regularly reviews the skills, experience and attributes required of the Board to effectively discharge its duties.

In FY20 the Board endorsed the RNC's new skills matrix that identified the necessary attributes, sector knowledge and skills and experience required of the Board to effectively govern the Company and discharge its strategic objectives. The RNC's skills matrix was developed from the Glass Lewis 'Board Skills Matrices' which was last updated and released publicly in January 2020. The identified attributes, sector knowledge and skills and experience required for a Service Stream Director are set-out in the tables below. The skills identified in the below tables are in addition to the fundamental personal characteristics that each Director must possess for the Board to discharge its duties and strategic objectives. These include:

- honesty and integrity
- enquiring mind
- commitment
- entrepreneurial disposition
- accountability
- punctuality

### Skills Matrices

#### 1. Attributes

	0-3 years	3-6 years	6-9 years	9+ years	Gender Diversity	Availability & Commitment
Peter Dempsey		<input type="checkbox"/>		✓		✓
Deborah Page		<input type="checkbox"/>		✓	✓	✓
Brett Gallagher		<input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>	✓
Greg Adcock		✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Tom Coen	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	✓
Leigh Mackender	<input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>	✓

#### 2. Sector Knowledge

	Telecommunications	Utilities	Infrastructure, Engineering or Technical Services
Peter Dempsey	✓	✓	✓
Deborah Page	✓	✓	✓
Brett Gallagher	✓	✓	✓
Greg Adcock	✓	<input type="checkbox"/>	✓
Tom Coen	<input type="checkbox"/>	✓	✓
Leigh Mackender	✓	✓	✓

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### 3. Skills & Experience

	HS&E	Strategic Leadership	Governance & Compliance	Audit and/or Corporate Finance	M&A and/or Capital Markets	Commercial & Business Acumen	Technological / Digital / Cyber Security	HR & Rem.
Peter Dempsey	✓	✓	✓	✓	✓	✓	☐	✓
Deborah Page	✓	✓	✓	✓	✓	✓	✓	✓
Brett Gallagher	✓	✓	✓	✓	✓	✓	☐	✓
Greg Adcock	✓	✓	✓	✓	✓	✓	✓	✓
Tom Coen	✓	✓	✓	☐	☐	✓	☐	✓
Leigh Mackender	✓	✓	✓	☐	✓	✓	✓	✓

Each Director self-assessed against the matrices, following which a peer review was undertaken by the RNC to finally determine the attributes, sector knowledge and skills and experience possessed by each Director. Following the completion of this exercise the RNC concluded that the Board possesses the mix of attributes, sector knowledge and skills and experience required of it to effectively govern the Company and discharge its strategic objectives.

#### Recommendation 2.3

A listed entity should disclose:

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

The Board regularly assesses whether a Director is independent by reference to the independence and materiality criteria set out in the ASX Principles. The Board considers the independence of a Director at the time of their appointment, when they face election or re-election or if there is a change to the Director's interests, positions or associations that may impact upon the Director's independence.

A Director's independence is reviewed by the Board and RNC against the guidelines set-out in Box 2.3 of the ASX Principles, namely:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised

In FY20, the RNC undertook the exercise of assessing each Director's independence against Recommendation 2.3 of the ASX Principles, as well as the Institutional Shareholder Services (ISS) definition

of an independent director which uses the Financial Services Council (**FSC**) definition as its core. The FSC defines an **independent director** as a non-executive director who:

- is not a substantial shareholder (or an executive or associate of a substantial shareholder) of the company;
- has not within the last three years been employed by the company in an executive capacity, or been a director after ceasing to hold any such employment;
- has not within the last three years been a principal or employee of a material professional adviser or material consultant to the corporate group;
- is not a material supplier/customer of the corporate group (or an executive or associate of a material supplier/customer);
- does not have a material contractual relationship with the corporate group; and
- is free from any other interest and any business or other relationship with the corporate group.

All Non-Executive Directors have been assessed by the RNC against this definition and Recommendation 2.3 of the ASX Principles, and have been determined as Independent Non-Executive Directors for FY20, other than Tom Coen, who was a director and shareholder of Comdain Nominees Pty Ltd. Comdain Nominees Pty Ltd was a substantial shareholder of Comdain Infrastructure Pty Ltd (**Comdain**) until the Company acquired Comdain in January 2019. Comdain Nominees Pty Ltd is now a substantial shareholder of the Company.

While Brett Gallagher, Peter Dempsey and Deborah Page have all served as Directors of the Company since 2010, the RNC noted the Glass Lewis Guidelines which provide that an independent classification review of a non-executive director should occur after that person had service over 12 years on a board. In addition, the RNC, with Directors Gallagher, Dempsey and Page abstaining, concluded that the mere fact of ten years' tenure has not resulted in any change in behaviour which would bring the independence of any of those directors into question.

#### **Recommendation 2.4**

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

The Board is comprised of a majority of Independent Directors, being Brett Gallagher, Peter Dempsey, Deborah Page and Greg Adcock for the reasons stated under Recommendation 2.3. Leigh Mackender is the Managing Director and therefore not considered to be an Independent Director. Tom Coen is not considered to be an Independent Director for the reasons stated under Recommendation 2.3.

#### **Recommendation 2.5**

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

The Board has a practice of separating the role of Chairman and Managing Director, with Brett Gallagher in the role of Chairman (an Independent Non-Executive Director for the reasons stated under Recommendation 2.3) and Leigh Mackender in the role of Managing Director.

**Recommendation 2.6**

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

Newly appointed Directors of the Company receive an extensive induction pack which includes all relevant corporate governance documents, policies, annual reports and previous Board and Committee papers. The Company has a program that provides professional development opportunities via training provided by external parties, updates on developments in accounting standards and changes in law. The Board also receives regular updates from the Senior Executives on risk and compliance issues, relevant changes in the regulatory environment affecting Directors and the Company, governance and safety.

### ASX Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

**Recommendation 3.1**

A listed entity should articulate and disclose its values.

The Company is committed to being a socially responsible corporate citizen and is guided by a set of core values which provide the basis for appropriate standards of behaviour for all Company employees, executives and directors.

These values are:

**SAFETY:** we care about the safety of our people, our customers and the community.

**DELIVERY:** we are reliable and deliver against our commitments.

**PEOPLE:** we are inclusive, respectful and support each other.

**ACCOUNTABILITY:** we are accountable for the results we deliver to our stakeholders.

A list of the Company's values is available on the Company's website

<https://www.servicestream.com.au/our-people/our-values>

**Recommendation 3.2**

A listed entity should:

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

The Company has a Standards of Behaviour Policy which contains a Code of Conduct that sets out the Company's expectations for behavioural standards. The principles underlying the Code of Conduct are:

- complying with all laws and regulations
- behaving in a manner that enhances trust and confidence
- behaving consistently with the Company's values and working in the best interests of the Company
- avoiding any conflicts of interest
- never trading on insider information
- acting to prevent fraud
- ensuring a safe and healthy work environment
- eliminating discrimination and harassment
- protecting the environment in which we operate

- reporting any concerns or suspected breaches of the Code of Conduct
- acting promptly to address any reports of concerns about inappropriate behaviour
- honouring confidentiality
- maintaining appropriate records, financial controls and disclosure

The Board has ultimate responsibility for resolving all matters concerning ethical and responsible decision-making, with policies and practices designed to ensure the integrity of the Company is maintained and investor confidence is enhanced. The Board and the Senior Executive Team, through their own actions, promote and foster an ethical corporate culture for the entire Company. The Board and ARC are informed of any material breaches of the Standards of Behaviour Policy by Senior Executives.

Additionally, the Directors must keep the Board advised, on an on-going basis, of any interest that could potentially conflict with that of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and does not participate when the relevant item is considered or voted on.

The Code of Conduct can be found on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>

#### **Recommendation 3.3**

A listed entity should:

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

The Company has a Whistleblower Policy that is compliant with the law and is designed to encourage a culture of disclosing Reportable Conduct. National governance training is conducted on an annual basis for senior staff across the Company, covering topics such as the Whistleblower Policy, the Code of Conduct, Delegation of Authorities, and new or revised laws and employee obligations.

The Whistleblower Policy can be found on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>.

#### **Recommendation 3.4**

A listed entity should:

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

The Company is committed to minimising the risk of fraud and corruption through responsible corporate governance and ensuring that it has appropriate internal controls in place to promote compliance with antibribery and corruption laws in Australia. The Board has endorsed the Anti-Bribery and Corruption Policy to support the Company's Code of Conduct and Corporate Governance Statement. Any breaches of the Anti-Bribery and Corruption Policy are reported to the Board by Senior Executives.

The Company seeks to create a culture and operating environment whereby our employees and subcontractors do not engage in corrupt business practices. Key operating practices underpinning this objective include:

- undertaking due diligence on parties contracted to do business with the Company to ensure they are reputable, competent and qualified to do the work;
- obtaining legal assurance that any proposed arrangement complies with all applicable laws;
- requiring any conflict of interest, actual or perceived, to be disclosed;

- ensuring the party doing business with the Company understands the Company's expectations, its Code of Conduct and the Anti-Bribery and Corruption Policy;
- prohibiting the provision of gifts or benefits to public officials, politicians or political parties, or relatives or associates of public officials, politicians or political parties; and
- prohibiting the giving, receiving, offering or promising of a bribe, facilitation payment or secret commission.

The Anti-Bribery and Corruption Policy can be found on the Company website:

<https://www.servicestream.com.au/investors/corporate-governance>

## ASX Principle 4 – Safeguard the integrity of corporate reports

### Recommendation 4.1

The board of a listed entity should:

- have an audit committee which:
  - has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - is chaired by an independent director, who is not the chair of the board, and disclose:
    - the charter of the committee;
    - the relevant qualifications and experience of the members of the committee; and
    - 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
- if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

### Audit and Risk Committee

The Board has an Audit and Risk Committee which assists the Board in providing shareholders and regulatory authorities with timely and reliable financial reports of the Company. The Committee reviews audit scope, assesses the performance of and fees paid to the external auditor, liaises with the external auditor to ensure that the annual audit and half-year review are conducted in an effective, accurate and timely manner and considers whether non-audit services provided by the external auditors are consistent with maintaining the external auditor's independence. The Committee reports to the Board on financial and audit matters at each relevant Board meeting.

All three members of the ARC, being Deborah Page, Peter Dempsey and Greg Adcock, are Independent Non-Executive Directors. The chairman of the ARC, Deborah Page, is not the Chairman of the Board. Further details on the qualifications and experience of the ARC members is available in the Directors' Report in the Company's Annual Report. Information concerning the attendance of the ARC members at the ARC meetings is available under ASX Principle 2.

### External Auditors

The Company engages PricewaterhouseCoopers as its external auditor and the policy on the procedure for the selection and appointment of external auditors and rotation of the external audit engagement partner can be found on the Company's website <https://www.servicestream.com.au/investors/corporate-governance>. PricewaterhouseCoopers attends the Company's Annual General Meeting (AGM) each year at which it is available to answer questions of shareholders relevant to the audit.

The Audit and Risk Committee Charter can be found on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>.

**Recommendation 4.2**

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

Prior to the approval of the financial statements the Managing Director and Chief Financial Officer provide a declaration to the Board, as required by section 295A of *the Corporations Act 2001*, 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 this opinion has been formed on the basis of a sound system of risk management and internal controls which are operating effectively.

The receipt of the Managing Director and Chief Financial Officer declaration is affirmed each year in the Directors' Declaration provided in the Company's Financial Statements.

**Recommendation 4.3**

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

The Company does not release any periodic corporate report that is not audited or reviewed by an external auditor.

## ASX Principle 5 – Make timely and balanced disclosure

**Recommendation 5.1**

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

The Company is committed to providing timely and accurate disclosure to the market of all material matters concerning the Company. The Company's Continuous Disclosure Policy seeks to ensure that its shareholders and the market have equal access to information issued by the Company.

The Continuous Disclosure Policy identifies Disclosure Officers, being the Managing Director, Chief Financial Officer and Company Secretary. The Disclosure Officers are responsible for managing compliance with the Company's disclosure obligations, including, if required, announcing information through the ASX. However, it is a reserved power of the Board that all ASX announcements obtain Board approval prior to their disclosure. The Board considers potential disclosure issues at each meeting.

Copies of all of the Company's ASX announcements can be found on the Company's website: <https://www.servicestream.com.au/investors/asx-announcements> along with the Continuous Disclosure Policy, which is located at: <https://www.servicestream.com.au/investors/corporate-governance>.

**Recommendation 5.2**

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

It is a reserved power of the Board that all ASX announcements obtain Board approval prior to their disclosure. Accordingly, the Board receives copies of all market announcements prior to their release.

**Recommendation 5.3**

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

The Company releases all new and substantive investor reports including:

- Half Year and Full Year Market presentations
- Managing Director's Address to Shareholders
- Chairman's Address to Shareholders
- Broker conferences
- Investment Forums

The presentations and reports can be found on the Company's website at <https://www.servicestream.com.au/investors/asx-announcements>.

For Half year and Full year results presentations a live weblink is provided on the Company's website which gives security holders the opportunity to participate in the presentation. These are available for download after the presentation at: <https://www.servicestream.com.au/investors/annual-general-meetings>

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

**Recommendation 6.1**

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

The Company respects the rights of its shareholders and provides them with appropriate information and facilities to allow them to exercise their rights. The Company provides information about itself on the Company's website, in particular the "Investors" section, which includes a Corporate Governance page: <https://www.servicestream.com.au/investors>.

**Recommendation 6.2**

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

The Company has an investor relations program to facilitate effective two-way communication with shareholders using various methods such as:

- Annual Reports which are made available to shareholders;
- disclosures made to the ASX;
- Notices of Meeting and Explanatory Memorandums in relation to resolutions to be put to a vote of shareholders;
- AGMs and EGMs at which shareholders are given an opportunity to ask questions about and comment on the performance and operations of the Company and its subsidiaries and to vote on other items of business including Director appointments. Key aspects of recent AGMs and EGMs have been recorded and made available online for shareholders who were unable to attend the meeting, as well as the voting results for each resolution. Furthermore, shareholders who are unable to attend in person can ask questions ahead of the meeting via email. Where appropriate, these questions will be answered at the meeting;
- responding to communications from shareholders in a timely and responsive manner;

- periodic investor presentations and briefings; and
- investor roadshows following Half and Full year results.

All shareholders have the option to receive communications from, and send communications to, the Company and its share registrar Computershare, electronically.

**Recommendation 6.3**

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

At the Company's AGMs and EGMs shareholders are given an opportunity to ask questions about and comment on the performance and operations of the Company and its subsidiaries, the resolutions of the meeting and to vote on other items of business including Director appointments. Key aspects of recent AGMs and EGMs have been recorded and made available online for shareholders who were unable to attend the meeting

Furthermore, shareholders who are unable to attend in person can ask questions ahead of the meeting via email. Where appropriate, these questions will be answered at the meeting.

**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.

At the Company's AGMs and EGMs, all substantive resolutions are decided by a poll, the results of which are disclosed to the market.

**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.

All shareholders have the option to receive communications from, and send communications to, the Company and its share registrar Computershare electronically.

## ASX Principle 7 – Recognise and manage risk

### Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director,and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Company has established an ARC to assist the Board in identifying, assessing, monitoring and controlling the Company's material business risks (see further, the discussion in relation to the ARC in ASX Recommendation 4.1).

### 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.

The Company manages a range of business risks which have the potential to have a material impact on the performance and operation of the Company. The ARC and the Board recognise that they have ultimate responsibility for ensuring that the risk mitigation actions, and internal control environment of the Company is fit for purpose and adequate in terms of safeguarding shareholder value.

The Board has put in place a comprehensive risk management framework that is reviewed annually and has been developed in line with the recommendations contained within the AS/NZS ISO 31000: 2018 Risk Management - Principles and Guidelines standard. The risk management framework establishes the various processes and internal controls designed to safeguard the Company's assets, minimise its liabilities and to ensure the integrity of its reporting. The identification, assessment, monitoring and management of business risks and the internal controls environment is undertaken by management and reported to the Board on an on-going basis.

### Risk Management Policy

As part of its risk management framework, the Board has adopted a Risk Management Policy to:

- implement a standard structured Company-wide approach to risk management;
- promote a culture that accepts both good and bad news, encourages personal responsibility and expects proactive identification and management of risks and opportunities; and
- monitor, address and report on risk management performance measures.

The Risk Management Policy, along with the other Board approved risk management related policies specify the overall principles to be applied to managing business risks within the organisation and provide

guidance to management on key risk management issues. Such policies, which can only be amended by the Board, include:

- Financial Risk Management Policy;
- Business Resilience Policy;
- Tax Risk Management Policy;
- Business Continuity Plans (including Technology Recovery Plans and Facility Recovery Plans); and
- Crisis Management Plan.

The Board has established the following functions to monitor business risks:

- a risk management function that provides specialist support in the areas of enterprise risk management;
- an internal audit function to assist the Board, management and employees in the effective discharge of their responsibilities by providing analysis, testing, opinion and recommendations concerning the adequacy and effectiveness of the Company's internal controls;
- a National Safety and Compliance function that provides specialist support in the areas of HSE risks and compliance with quality systems and accreditation; and
- an internal legal function that provides specialist support in the areas of legal, regulatory and governance compliance, including an annual review of the Company's licensing requirements across all Australian jurisdictions.

The Board identified Company material risks are outlined each year in the Company's Annual Report.

#### **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 governance, risk management and internal control processes.

The ARC established internal audit function consists of Head of Internal Audit and a Senior Internal Auditor. Details of the qualifications and experience of the Head of Internal Audit can be found on the Company's website <https://www.servicestream.com.au/investors/board-of-directors>.

The Company's internal audit function has the purpose of providing analysis, testing, opinion and recommendations concerning the adequacy and effectiveness of the Company's internal controls. The head of the function has a direct line of access to the Chairman of the ARC and all Internal Audit reports are provided to the ARC along with the status of recommendations flowing from the reviews.

#### **Recommendation 7.4**

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

The Board and Senior Executives have formed the view that the Company does not currently have a material exposure to environmental or social risks.

The Company collects data for the monitoring of key environmental performance metrics as part of our obligations under ISO14001 and our commitment to continual improvement and risk management. Key metrics include:

- Electricity consumption (kWh)
- Fuel consumption (kL)

- Scope 1 and 2 energy consumption (TJ)
- Scope 1 and 2 Greenhouse gas emissions (tCO<sub>2</sub>-e)
- Total expenditure on electricity and fuel (\$)
- Waste generation and separation (recycling)
- Environmental Incidents and Hazards

Data is collated in accordance with the principles of ISO 14064 and the National Greenhouse and Energy Reporting (NGER) Act 2007 while energy content and emissions factors are drawn from the NGER Measurement Determination 2008.

Emissions sources associated with the Company's operations are primarily comprised of combustion of liquid fuels for transport energy purposes (diesel for fleet and mobile plant). Indirect emissions from electricity consumption represent <5% of the Company's total corporate emissions.

The Company remains well below both the reporting and publication thresholds for the NGER Act and has no legislative reporting obligations regarding energy and GHG emissions.

All risks relevant to the environment are outlined in the Directors' Report in the Company's Financial Statements along with strategies for their management.

The Company's Sustainability Statement outlining its commitment to sustainable business practices can be found on the Company's website <https://www.servicestream.com.au/investors/corporate-governance>. The Company's Risk Management Policy can also be found on the Company's website: <https://www.servicestream.com.au/investors/corporate-governance>.

## ASX Principle 8 – Remunerate fairly and responsibly

### Recommendation 8.1

The board of a listed entity should:

- have a remuneration committee which:
  - has at least three members, a majority of whom are independent directors; and
  - is chaired by an independent director,and disclose:
  - the charter of the committee;
  - the members of the committee; and
  - 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
- 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.

### Remuneration and Nomination Committee

The RNC has responsibility for reviewing and making recommendations to the Board in relation to remuneration, in particular, ensuring that the Company offers remuneration which is fair and competitive, which is appropriately linked to performance and which motivates Management to pursue the long-term growth and success of the Company. The RNC also reviews Director and Senior Executive succession plans and monitors the level and nature of Director and Senior Executive remuneration to ensure it is in line with current standards. The RNC provides recommendations to the Board which, in turn, has ultimate responsibility for the fair and responsible remuneration of Company personnel. Further details on the RNC are set-out under ASX Recommendation 2.1.

#### **Recommendation 8.2**

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

The Remuneration Report contained in the Company's Annual Report details the policies, practices and remuneration of Directors and Senior Executives. In summary:

- Non-Executive Directors are remunerated by way of fees and statutory superannuation, which is determined by reference to the time commitment and responsibilities of the role.
- The Managing Director and Senior Executives are remunerated by way of a combination of fixed salary, share-based and cash-based incentives and statutory superannuation.

#### **Recommendation 8.3**

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

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

The Company's Security Trading Policy applies to all officers and employees and prohibits:

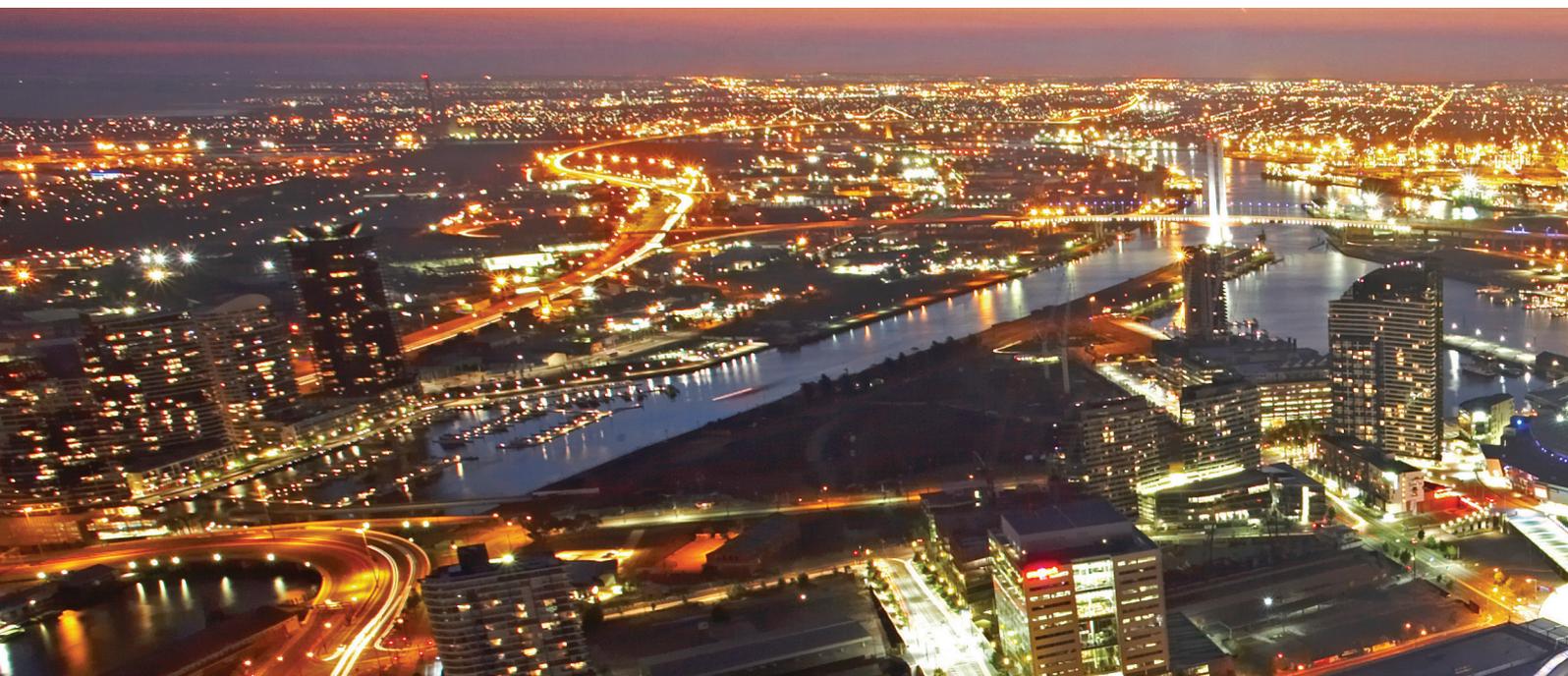
- an officer or employee from dealing in any Company securities at any time if they are aware of any price sensitive information; and
- an officer or employee from procuring another person to deal in Company securities at any time if they are aware of any price sensitive information.

The Securities Trading Policy can be found on the Company's website:

<https://www.servicestream.com.au/investors/corporate-governance>

### **Additional recommendations that apply only in certain cases**

Recommendations 9.1 to 9.3 do not apply to the Company at the time this Corporate Governance Statement was approved by the Board.



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