

2021 CORPORATE GOVERNANCE STATEMENT

OVERVIEW

The Board and management of Silk Logistics Holdings Limited (Silk or the Company) is committed to ensuring the Company has an appropriate corporate governance framework to protect and enhance the Company's performance and overall shareholder value.

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations (ASX Recommendations).

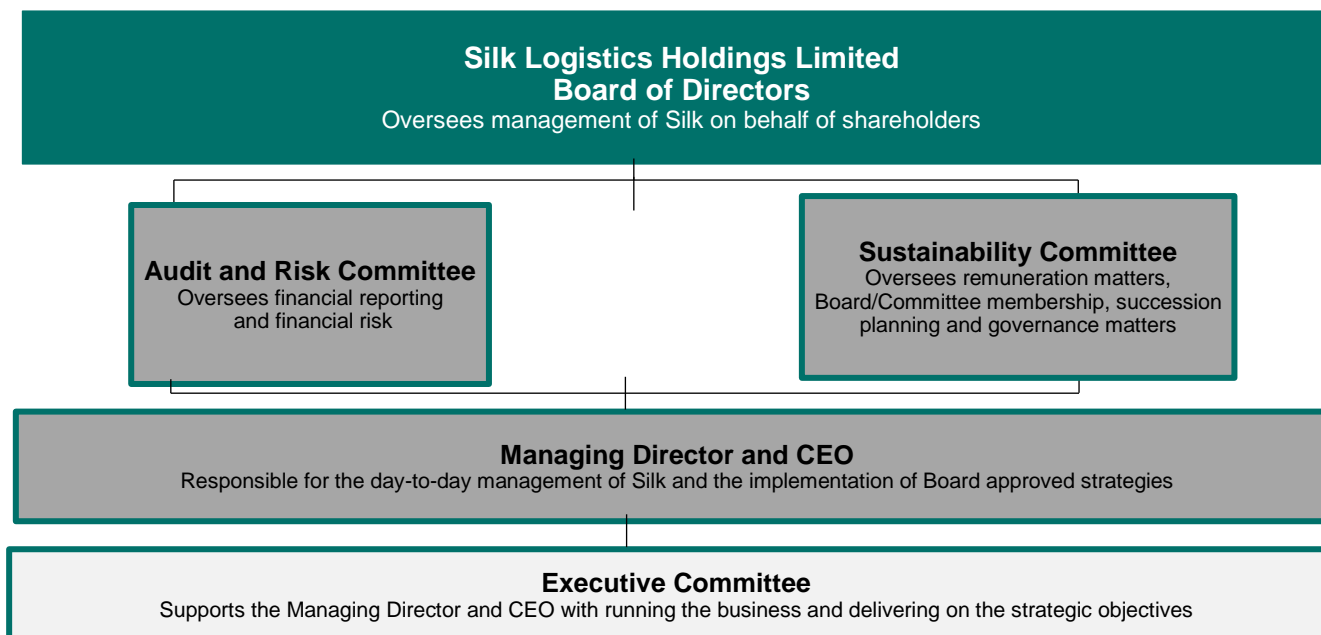
In accordance with ASX Listing Rule 1.1 Condition 16, the corporate governance statement discloses the extent to which the Company follows the ASX Recommendations as at the date of its admission to the official list.

The Company will follow each ASX Recommendation where the Board considers the ASX Recommendation to be an appropriate benchmark for its corporate governance practices given the Company's size, structure and operations. Where the Company's corporate governance practices follow an ASX Recommendation, the Board has made appropriate statements reporting on the adoption of the ASX Recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow an ASX Recommendation, the Board has explained its reasons for not following the ASX Recommendation and disclosed what, if any, alternative practices the Company will adopt in lieu of the ASX Recommendation.

This Statement has been approved by the Board of Directors and is current as at the date of its admission to the ASX.

GOVERNANCE STRUCTURE

The governance and performance of Silk is overseen by the Board of directors elected by shareholders.



STRUCTURE AND COMPOSITION OF THE BOARD

The current structure and composition of the Board is set out below. The majority of the Board are independent, non-executive directors.

Name of Director	Position	Experience and Expertise Highlights	Date of appointment	Independent	Rationale
Terry Sinclair	Non-Executive Chair	Significant operational and corporate development experience across Industrials, Resources and Consumer Services sectors. Current roles include: Industry Advisor Australian Super, Non-Executive Director of Cleanaway Limited (ASX:CWY), Non-Executive Director of Locate Technologies Pty Ltd and Faethm.ai Pty Ltd. Previous roles include: Chair Star Track Express, Managing Director of Service Stream Limited; Director of Sai Cheng Logistics (China); Director of Asia Pacific Parcels Alliance (HK).	Appointed in July 2020	Yes	No relevant relationships or interests.
Brendan Boyd	Managing Director	Silk Logistics Group as General Manager Warehousing; Australia Post as General Manager Distribution Courier and Logistics Services; Toll Group as General Manager Toll Fast; AUSDOC/DX Express as Chief Executive Officer DX Express; and Mayne Nickless as Chief Operating Officer of Mayne Nickless Express.	Appointed in November 2013	No	Managing Director substantial shareholder.
John Sood	Executive Director & CCO	Silk Logistics Group as General Manager Business Development; Linfox as General Manager Portside United and General Manager Marketing and Business Development; Westgate Logistics as General Manager Development.	Appointed in November 2013	No	Executive and substantial shareholder
Stephen Moulton	Non-Executive Director	Stephen is a Corporate Advisory and Mergers & Acquisitions lawyer with over 30 years' experience. Prior and current board experience: Director (2000-present) and Chair (2018-present) – O'Brien Foundation; Director (2000-2009) – O'Brien Institute (microsurgical research); Director (2017-2018) – buyMyplace.com.au Ltd (ASX); Director (2018-2019) – GMDX Holdings Ltd; Director (2006-2012) – Carlton Football Club.	Appointed in July 2020	Yes	No relevant relationships or interests.
Average Length of Service:			4 years and 2 months		

STRUCTURE AND COMPOSITION OF THE BOARD SUB-COMMITTEES

The Board has standing sub-committees to examine particular issues in detail and make recommendations to the Board.

Committee	Audit and Risk*	Sustainability^
Chair	Terry Sinclair	Stephen Moulton
Independent Chair	Yes	Yes
Other Members	Stephen Moulton	Terry Sinclair
Majority Independent?	Yes	Yes
All Non-Executive Directors?	Yes	Yes
Committee's relevant qualifications and experience	All members have formal accounting, finance, commerce or MBA qualifications combined and/or substantial relevant experience, as set out in their Experience and Expertise highlights.	All committee members have extensive market facing experience with publicly listed entities and experience in managing remuneration structures to incentivise appropriate performance.
Key Roles/Responsibilities	<p>The Committee's key responsibilities and functions are to:</p> <ul style="list-style-type: none"> • oversee the Company's relationship with the external auditor and the external audit function generally; • oversee the Company's relationship with the internal auditor and the internal audit function generally; • oversee the preparation of the financial statements and report; • oversee the Company's financial controls and systems; and • manage the process of identification of risk and the management of risk strategies. 	<p>The main objectives of the Committee are to assist the Board fulfil its obligations to ensure the Company:</p> <ul style="list-style-type: none"> (a) has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties; (b) adopts the most appropriate and effective corporate governance policies and approach for: <ul style="list-style-type: none"> i. Remuneration and Nomination ii. OHSE; and iii. ESG <p>Roles and responsibilities: Nomination and Remuneration</p> <ul style="list-style-type: none"> • Board composition • Selection and appointment: New Directors or Senior Executives and Re-election of Directors • Re-election of Directors • Remuneration

Committee	Audit and Risk*	Sustainability^
		<p>Roles and responsibilities: OHS&E</p> <ul style="list-style-type: none"> • Identify, assess and manage safety and operational environmental risks; • Continually work towards maintaining the workplace and systems of work that are safe and without risk to physical or emotional health and the environment; • Work safely and in a manner that is respectful to others and the surrounding environment and community; • Hold peers accountable for their actions; • Set targets to develop, implement and maintain standards and management systems; • Ensure compliance with legal requirements and industry standards; • Provide appropriate facilities to protect the welfare of all staff members and provide information, instruction, supervision and training in safe work practices; and • Be proactive and responsive to staff OHS & E concerns. <p>Roles and responsibilities: Environment Sustainability and Governance</p> <ul style="list-style-type: none"> • Approving and recommending to the Board for adoption policies and procedures on sustainability to establish an effective and efficient system for oversight and management; • Regularly reviewing with management, the Company's record of performance on community relationships, occupational health, safety, and environmental matters along with any proposed actions based on the record of performance; • Review and report to the Board on material non-compliance with legislation and regulations across the Company; • Obtaining an independent judgment from an external auditor regarding the Company's policies, procedures, and performance on sustainability; and • Monitoring changes in applicable regulations and legislation and reviewing compliance with all applicable regulations and disclosures.

Committee	Audit and Risk*	Sustainability^
		<ul style="list-style-type: none"> • Providing guidance and necessary resources and support to ensure the Company's business activities are undertaken in a manner that at all times considers and effectively manages potential environmental and social risks; • Proactively addressing issues that may adversely affect environmental performance within the Company including: <ul style="list-style-type: none"> ○ assessing likely environmental outcomes before decisions to proceed with activities; and ○ considering environmental outcomes when making decisions in the same way that consideration is given to safety, cost, quality and time; • Considering, identifying and managing environmental risks as a material financial risk for the purposes of our risk management framework.

The Board intends to appoint an additional Non-Executive Director after Listing, who will act as the Chair of the Audit and Risk Committee as well as a member of the Sustainability Committee.

*During the course of 2021, Terry Sinclair and Stephen Moulton were appointed as members of the Audit and Risk Committee.

^ During the course of 2021, Terry Sinclair and Stephen Moulton were appointed as members of the Sustainability Committee

ETHICAL STANDARDS, INTEGRITY AND CULTURE

Key policies provide the foundation for the Company's culture:

Silk's Vision Our Core Values

*Silk Contract Logistics' ("Silk") vision is to be
the market leader of innovative supply chain solutions through our people and connected networks*



SAFETY

We will demonstrate an uncompromising commitment to safety, promoting safe practices and behaviours, by taking responsibility and always being accountable for our actions.



INNOVATION

We will continuously find improvements by challenging the status quo and striving for excellence.



RESPECT

We respect and recognize team members and their role in the business. We will treat one another with dignity and understanding.



INTEGRITY

We will always do the right thing regardless of the outcome. We will be courageous and accountable for our decisions and actions.



CUSTOMER-CENTRIC

We will seek to anticipate, understand and exceed client needs through the provision of innovative and customised solutions.



PASSION

We are proud to be part of a team that is passionate about making a positive contribution each day to achieve our vision.



ASX RECOMMENDATIONS:

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 1.1 – Board and Management Roles</p> <p><i>A listed entity should have and disclose a board charter setting out:</i></p> <p>(a) <i>the respective roles and responsibilities of its board and management; and</i></p> <p>(b) <i>those matters expressly reserved to the Board and those delegated to management.</i></p>	Yes	<p>The Board is accountable to shareholders for the performance and corporate governance of the Company. The primary role of the Board is to provide overall strategic guidance and effective oversight of management.</p> <p>The Board's Charter sets out in detail the Board's key responsibilities:</p> <ul style="list-style-type: none"> (a) Providing leadership and approving the strategic direction and objectives of the Group and monitoring implementation of the strategic direction and objectives; (b) Overseeing the Group, including its control, accountability and reporting systems for monitoring ethical, legal and financial compliance, including monitoring the conduct of external audits; (c) Overseeing the Group's risk management framework, including setting the risk appetite within which the Board expects management to operate, and periodically reviewing the effectiveness of that framework; (d) Approving and monitoring the progress of operating budgets, major capital expenditure, delegations of authority, acquisitions, divestments, capital management decisions and other corporate transactions, including the issue of securities of the Company; (e) Overseeing and monitoring the implementation of the Company's corporate governance systems and policies (f) Promoting ethical and responsible decision making by the Group, consistent with maintaining the Group's social license to operate; (g) Monitoring the Company's process for making timely and balanced disclosure of all information required to be disclosed in accordance with the Company's Constitution, applicable Listing Rules, the Corporations Act and other applicable laws and regulations; (h) Determining the Company's dividend policy, the amount and timing of all dividends and the operation of the Company's dividend re-investment plan (if any); (i) Considering appointments to, and the performance and succession of, the Board and the senior executives including: <ul style="list-style-type: none"> i. Appointing and removing the Managing Director ; ii. approving senior executive appointments; iii. monitoring and evaluating the performance of individual directors, the Board as a whole, the Managing Director and the senior executives;

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
		<p>iv. reviewing and approving contractual arrangements, remuneration and benefits of the Non-Executive Directors, the Managing Director and the senior executives, including the Company's remuneration framework;</p> <p>v. reviewing the size and composition of the Board; and</p> <p>vi. succession planning for the Board and the Managing Director and overseeing succession planning for the senior executives.</p> <p>The Board Charter also sets out Board composition, membership and independence, the role and responsibilities of the Chair, delegation of responsibilities to the Managing Director and to sub-committees of the Board. Details of the standing Board sub-committees are set out in the Overview above.</p> <p>As set out in the Board Charter, the Managing Director is responsible for day to day management and administration of the Group, subject to those matters that the Board has specifically reserved for its decision.</p> <p>With the support of the Executive Committee, the Managing Director manages Silk in accordance with the Board-approved corporate strategic objectives, plans, budgets and risk appetite set by the Board. A detailed delegated authorities policy prescribes the decision making and expenditure limits which apply at various levels of management.</p> <p>A copy of the Constitution, Board Charter and standing Sub-Committee Charters are available on the Company's website at www.silklogistics.com.au.</p>
<p>ASX Recommendation 1.2 – Appointment of Directors</p> <p><i>A listed entity should:</i></p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election, as a director; and</p> <p>(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.</p>	Yes	<p>Prior to appointing a new director or putting forward to security holders a candidate for election as a director, the Board ensures that appropriate checks are undertaken to determine the candidate's suitability, including checks regarding character, experience, education, criminal record and bankruptcy history. The Board is assisted in this process by the Sustainability Committee, as described in the Committee Charter available on the Company's website.</p> <p>When an existing or potential new director is put forward for election or re-election, all material information in the Company's possession is disclosed in the Notice of Meeting sent to security holders to enable them to make an informed decision on whether or not to elect or re-elect an existing or potential new director.</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 1.3 – Appointment Terms <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i>	Yes	<p>All Non-Executive Directors have entered into a service agreement with the Company setting out:</p> <ul style="list-style-type: none"> (a) The term of the appointment, which is consistent with the processes in the Constitution, the Corporations Act 2001 (Cth) and the ASX Listing Rules; (b) The time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position; (c) Remuneration, including superannuation entitlements; (d) The requirement to disclose directors' interests and any matters which may affect the director's independence; (e) The requirement to comply with the Company's Securities trading policy; (f) The entity's policy that non-executive directors may seek independent professional advice at the expense of the Company if the director feels such advice necessary for them to discharge their responsibilities and duties as a director; (g) The circumstances in which the director's office becomes vacant; and (h) Ongoing confidentiality obligations. <p>Each director has a Deed of Access, Insurance and Indemnity, under which they are indemnified against liability in connection with their role as a director and Silk is required to maintain a directors' and officers' insurance policy. The Deed also confirms the director's rights of access to board papers and records.</p> <p>Each senior executive, including the Managing Director, is appointed pursuant to an agreement which sets out a description of their position, duties and responsibilities, reporting lines, remuneration details and the circumstances under which employment can be terminated.</p> <p>A summary of key terms of the service agreements for senior executives of the Company are disclosed in the Remuneration Report section of the Company's Annual Report.</p>
ASX Recommendation 1.4 – Company Secretary <i>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.</i>	Yes	<p>The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p> <p>The Company Secretary's role includes advising the Board and its committees on governance matters; monitoring that Board and committee policy and procedures are followed; coordinating the timely completion and dispatch of Board and committee papers; ensuring that the business at Board and committee meetings is accurately captured in the minutes; and helping to organise and facilitate the induction and professional development of directors.</p> <p>All directors have unfettered access to the Company Secretary and the appointment and removal of the Company Secretary must be made or approved by the Board.</p>

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 1.5 – Diversity</p> <p><i>A listed entity should:</i></p> <ul style="list-style-type: none"> (a) <i>have and disclose a diversity policy;</i> (b) <i>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</i> (c) <i>disclose in relation to each reporting period:</i> <ul style="list-style-type: none"> (1) <i>the measurable objectives set for that period to achieve gender diversity;</i> (2) <i>the entity's progress towards achieving those objectives; and</i> (3) <i>either:</i> <ul style="list-style-type: none"> (A) <i>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</i> (B) <i>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.</i> <p><i>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.</i></p>	Yes	<p>The Board and the Company are committed to workplace diversity and creating an inclusive workplace that embraces and values diversity capable of delivering long term shareholder value.</p> <p>The Diversity Policy is available on the Company's website at www.silklogistics.com.au.</p> <p>The Board has set measurable objectives for achieving gender diversity. The Company's progress against those measurable objectives will be disclosed at the end of each reporting period.</p> <p>The Company is committed to assessing and selecting employees based on merit to ensure the best, most suitably qualified candidates are appointed on all occasions, whilst simultaneously taking steps to provide supporting infrastructure for diversity and bringing an open-minded approach to the skills and experience required for each role.</p> <p>The Company will look to maintain existing gender diversity targets and will review in greater detail following the Listing.</p>
<p>ASX Recommendation 1.6 – Board Performance Review</p> <p><i>A listed entity should:</i></p>	Yes	<p>The Board and its sub-committees have an annual review process in accordance with the Board Charter and supported by the Sustainability Committee in accordance with its Charter.</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>(a) <i>have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</i></p> <p>(b) <i>disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</i></p>		
<p>ASX Recommendation 1.7 – Executive Performance Review</p> <p><i>A listed entity should:</i></p> <p>(a) <i>have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</i></p> <p>(b) <i>disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</i></p>	Yes	<p>The performance of all senior executives, including the Managing Director, will be formally reviewed on an annual basis.</p> <p>The Board, in consultation with the Sustainability Committee, is responsible for evaluating the performance of the Managing Director.</p> <p>Senior executives are evaluated by the Managing Director taking into account feedback from the Board and with remuneration results reviewed and approved by the Sustainability Committee.</p> <p>Performance is reviewed against specific and measurable company and individual performance measures which are designed to facilitate achievement of the Company's objectives whilst appropriately managing its risks.</p> <p>A performance evaluation of all senior executives including the Managing Director, will be undertaken during 2022.</p>

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

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 2.1 – Nomination Committee <i>The board of a listed entity should:</i> (a) <i>have a nomination committee which:</i> (1) <i>has at least three members, a majority of whom are independent directors; and</i> (2) <i>is chaired by an independent director, and disclose:</i> (3) <i>the charter of the committee;</i> (4) <i>the members of the committee; and</i> (5) <i>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</i> (b) <i>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.</i>	Partially	<p>The Sustainability Committee Charter provides for the creation of a committee, with at least three members, all of whom are non-executive and a majority are independent directors, one of whom would be the chair, who is not the Chair of the Board.</p> <p>Although the Sustainability Committee will comprise of only two members immediately upon Listing, it is the intention of the Board to appoint an additional Non-Executive Director after Listing who will act as an additional member of the Committee.</p> <p>The Sustainability Committee charter is available on the Company's website at www.silklogistics.com.au.</p> <p>An overview of the Committee membership, responsibilities, qualifications and experience is provided above under "Overview".</p> <p>The Committee composition, meeting details, former committee members and attendances will be set out in the Annual Report.</p>
ASX Recommendation 2.2 – Skills Matrix <i>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.</i>	Yes	<p>An overview of the Boards skills were undertaken prior to the Listing with areas of Board competency including:</p> <ul style="list-style-type: none"> • Strategy • Industry Sector • ASX Governance and Policy • Risk and Compliance • ITC/Platform models • Management experience

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
		<ul style="list-style-type: none"> • Mergers and Acquisitions • Corporate Development • Legal • Industry Structure Change • Remuneration • Sustainability and ESG • Business Growth and Development
ASX Recommendation 2.3 – Independent Directors <i>A listed entity should disclose:</i> <ol style="list-style-type: none"> <i>the names of the directors considered by the board to be independent directors;</i> <i>if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</i> <i>the length of service of each director.</i> 	Yes	<p>The Company has conducted a review of director independence in accordance with the assessment criteria set out in the ASX Recommendations. The results of that assessment are set out in the Overview above.</p> <p>The length of service of each director is set out in the Overview above.</p>
ASX Recommendation 2.4 – Majority Independence <i>A majority of the board of a listed entity should be independent directors.</i>	No	<p>The majority of the Board are not independent directors.</p> <p>Notwithstanding, the Board considers that following Completion of the Offer the interests of those Directors in the Shares work to align their interests with those of other Shareholders and does not impede their ability to bring an independent judgment to bear on issue before the Board and act in the best interests of the Company.</p>
ASX Recommendation 2.5 – Independent Chair <i>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.</i>	Yes	<p>The Company's Chair, Mr Sinclair, is an independent non-executive director who is not the same person as the Company's Managing Director, Mr Boyd.</p>

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 2.6 – Induction, Education and Training</p> <p><i>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.</i></p>	Yes	<p>The Company's Sustainability Committee Charter outlines the responsibilities of the Company to ensure that processes are in place to support Director induction programs and provide continuing professional development opportunities for Directors and regularly review the effectiveness of these processes, and to regularly assess whether the directors of the Company as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues and recommend professional development opportunities to address such gaps.</p> <p>Directors have the opportunity to undertake courses with the Australian Institute of Company Directors or other professional bodies as required, subject to the approval of the Chair.</p> <p>All Board members are expected to maintain the skills required to discharge their roles.</p>

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

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 3.1 – Values <i>A listed entity should articulate and disclose its values.</i>	Yes	<p>In order to reinforce the Company's values which underpin how the Company undertakes its business, it has adopted a Statement of Values. It outlines the norms and behaviours expected of the Company's Directors, senior leaders, staff and those who the Company seeks to work with.</p> <p>The Statement of Values is available on the Company's website www.silklogistics.com.au.</p>
ASX Recommendation 3.2 – Code of Conduct <i>A listed entity should:</i> <ul style="list-style-type: none"> (a) <i>have and disclose a code of conduct for its directors, senior executives and employees; and</i> (b) <i>ensure that the board or a committee of the board is informed of any material breaches of that code.</i> 	Yes	<p>The Company has approved the adoption of a formal Code of Conduct which outlines the manner in which the Company expects its Directors and employees to behave and conduct business in the workplace. The Code of Conduct applies to Directors and all employees of the Company.</p> <p>The objectives of the Code of Conduct are to:</p> <ul style="list-style-type: none"> • Provide a benchmark for ethical and professional behaviour; • Promote health, respectful and positive working environments for all employees and Directors; • Ensure that there is compliance with laws, regulations, policies and procedures relevant to the Company; • Ensure there are appropriate mechanisms and procedures in place for employees and Directors to report breaches of the Code of Conduct; and • Ensure that employees and Directors are aware of the consequences for breaching the Code of Conduct. <p>The Code of Conduct is available on the Company's website at www.silklogistics.com.au.</p>
ASX Recommendation 3.3 – Whistleblower Policy <i>A listed entity should:</i> <ul style="list-style-type: none"> (a) <i>have and disclose a whistleblower policy; and</i> (b) <i>ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</i> 	Yes	<p>The Company has adopted a Whistleblower Policy. The purpose of the Whistleblower Policy is to promote and support a culture of honest and ethical behaviour and encourage disclosure of improper conduct.</p> <p>The Whistleblower Policy is available on the Company's website at www.silklogistics.com.au.</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 3.4 – Anti-bribery and Corruption Policy</p> <p><i>A listed entity should:</i></p> <p>(a) <i>have and disclose an anti-bribery and corruption policy; and</i></p> <p>(b) <i>ensure that the board or a committee of the board is informed of any material breaches of that policy.</i></p>	Yes	<p>The Company has adopted an Anti-Bribery Policy. The policy seeks to ensure the Company's officers, directors, associates, contractors, consultants and staff:</p> <ul style="list-style-type: none"> • Do not give or accept gifts and/or benefits that will compromise their integrity or appear to cause a conflict of interest; • Do not give or receive payments of secret commissions; • Are educated on what gifts and benefits are unacceptable and acceptable; • Promote investor confidence in the integrity of the Company and its securities; and • Understand the process to be followed if there is a suspected breach of the policy. <p>The policy also explains key principles of bribery and corruption and the Company's compliance process including that the Board or a committee of the Board must be notified of all material breaches of the Policy.</p> <p>The Anti-Bribery and Corruption Policy is available on the Company's website at www.silklogistics.com.au.</p>

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PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 4.1 – Audit Committee <i>The board of a listed entity should:</i> <p>(a) <i>have an audit committee which:</i></p> <p>(1) <i>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i></p> <p>(2) <i>is chaired by an independent director, who is not the chair of the board, and disclose:</i></p> <p>(3) <i>the charter of the committee;</i></p> <p>(4) <i>the relevant qualifications and experience of the members of the committee; and</i></p> <p>(5) <i>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</i></p> <p>(b) <i>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.</i></p>	Partially	<p>The Audit and Risk Committee Charter sets out:</p> <ul style="list-style-type: none"> the composition of the Committee, including that the Committee must comprise of; only Non-Executive Directors; a majority of independent Directors of the Company; an independent chair, who is not chair of the Board; and a minimum of 3 members. <p>The Board intends to appoint an additional Non-Executive Director after Listing, who will act as the Chair of the Audit and Risk Committee.</p> <p>The Audit & Risk Committee Charter is available on the Company's website at www.silklogistics.com.au.</p> <p>An overview of the Committee current membership, responsibilities, qualifications and experience is provided above under "Overview".</p> <p>Meeting details, committee members and attendances will be set out in the Annual Report.</p>
ASX Recommendation 4.2 – Management Assurances <i>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</i>	Yes	<p>Prior to approval of the Company's financial statements the Board receives from the Managing Director and the 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>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<i>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.</i>		
ASX Recommendation 4.3 – External Auditor Attends AGM <i>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.</i>	Yes	<p>The Company's external auditor is Deloitte Touche Tohmatsu Limited.</p> <p>All Board and Board sub-committee papers are available to the external auditor and they are invited to attend all Audit & Risk Committee meetings and are available to the Audit & Risk Committee members at any time.</p> <p>As required by the Corporations Act the external auditor attends all Annual General Meetings (AGMs) and is available to answer questions from security holders relevant to the audit, their report and independence, and the accounting policies adopted by the Company.</p> <p>Silk will verify the integrity of any period corporate report it releases to the market that is not audited or reviewed by an external auditor, such as quarterly reports, by ensuring financial and production data disclosed to the market is always aligned to monthly Executive Committee reports, which are reviewed by relevant General Managers, Executive Committee and circulated to the Board. The financial information in the Executive Committee reports is sourced directly from the Enterprise Resource Planning (ERP) system and the ERP data is subject to the annual and half-year financial audits and reviews. The Audit & Risk Committee Charter describes the oversight functions of the Committee of Company policies, procedures and practices which produce these reports. Also refer to the management assurances referred to in recommendation 4.2.</p>

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 5.1 – Continuous Disclosure Policy <i>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</i>	Yes	<p>The Continuous Disclosure Policy is available on the Company's website at www.silklogistics.com.au.</p> <p>The purpose of the Continuous Disclosure Policy adopted by the Company is to promote awareness of the Company's continuous disclosure requirements and to establish policies and procedures to assist the Directors and management with ensuring compliance with those requirements.</p> <p>The policy also:</p> <ul style="list-style-type: none"> • provides reporting protocols and processes for determining whether information should be disclosed to the market; and • designates responsibility for managing and monitoring the Company's compliance with its continuous disclosure obligations. <p>The Continuous Disclosure Policy is periodically reviewed by the Board to ensure that it is effective and remains consistent and current with relevant laws and ASX requirements.</p> <p>The Continuous Disclosure Policy is available on the Company's website at www.silklogistics.com.au.</p>
ASX Recommendation 5.2 – Market Announcements <i>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</i>	Yes	<p>The Board reviews and approves market announcements in accordance with its Continuous Disclosure Policy and each Board member is registered to receive external notifications of all ASX announcements. The Company also circulates all price sensitive announcements to the Board ahead of the release being made.</p> <p>The Company discloses these processes in the Company's Continuous Disclosure Policy available on the Company's website.</p>
ASX Recommendation 5.3 – Presentation Materials <i>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.</i>	Yes	<p>The Company discloses these processes in the Company's Continuous Disclosure Policy available on the website.</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 6.1 – Information and Governance <i>A listed entity should provide information about itself and its governance to investors via its website.</i>	Yes	<p>The Company's website at www.silklogistics.com.au contains key information about the Company and its corporate governance practices and policies, as well as biographies of the Board members, Company Secretary and senior executives.</p> <p>The Company will also maintain a separate investor page on its website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.</p>
ASX Recommendation 6.2 – Investor Relations Program <i>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</i>	Yes	<p>The Company's Continuous Disclosure Policy also sets out how the Company intends to communicate with Shareholders to ensure Shareholders have sufficient information to assess the performance of the Company and are informed of all major developments affecting the Company.</p> <p>The policy sets out:</p> <ul style="list-style-type: none"> • The manner in which Company announcements are to be made (including that they must be made in a timely manner, easily accessible and readable); • The regular communications to be received by Shareholders from the Company; • the manner in which the Company's website is to be used to communicate with Shareholders; and • The manner meetings of Shareholders are to be conducted.
ASX Recommendation 6.3 – Shareholder participation at AGMs <i>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</i>	Yes	<p>The Board encourages full participation of shareholders at the AGM, to ensure a high level of accountability and identification with the Company's strategy and goals.</p> <p>Prior to the AGM the Company issues a Notice of Meeting, Explanatory Statement and Proxy Form to provide all the information that is relevant to shareholders in making decisions on matters to be voted on at the meeting. Shareholders may elect to receive communications electronically.</p> <p>Details regarding the timing and location of the Company's General Meetings or Annual</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
		<p>General Meeting are disclosed to the ASX in advance to encourage attendance by shareholders.</p> <p>Time is also set aside at the AGM for the Board to respond to any shareholder queries.</p>
<p>ASX Recommendation 6.4 – Resolutions by Poll <i>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.</i></p>	Yes	The Company conducts all voting processes through a poll rather than a show of hands.
<p>ASX Recommendation 6.5 – Electronic Communications <i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i></p>	Yes	<p>Shareholders have the option of electing to receive communications from and sending communications to the Company and its share registry electronically.</p> <p>Silk Logistics Holdings actively encourages its shareholders to take up the benefits of electronic communications.</p>

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 7.1 – Risk Committee <i>The board of a listed entity should:</i></p> <p>(a) <i>have a committee or committees to oversee risk, each of which:</i> <i>(1) has at least three members, a majority of whom are independent directors; and</i> <i>(2) is chaired by an independent director, and disclose:</i> <i>(3) the charter of the committee;</i> <i>(4) the members of the committee; and</i> <i>(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</i> <i>(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.</i></p>	Partially	<p>The Audit & Risk Committee Charter outlines the requirement for three members, all of whom are to be non-executive and a majority independent directors.</p> <p>Although the Audit and Risk Committee will comprise of only two members immediately upon Listing, it is the intension of the Board to appoint an additional Non-Executive Director after Listing, who will act as the Chair of the Audit and Risk Committee.</p> <p>The Audit and & Committee charter is available on the Company's website at www.silklogistics.com.au.</p> <p>An overview of the Committee membership, responsibilities, qualifications and experience is provided above under "Overview".</p> <p>Meeting details, former committee members and attendances will be set out in the Annual Report.</p>
<p>ASX Recommendation 7.2 – Risk Framework Review</p>	Yes	<p>The Audit & Risk Committee Charter requires that the Audit & Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>The Company's Audit & Risk Committee Charter requires the Company to disclose at least annually whether such a review of the Company's risk management framework has taken place.</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p><i>The board or a committee of the board should:</i></p> <p>(a) <i>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</i></p> <p>(b) <i>disclose, in relation to each reporting period, whether such a review has taken place.</i></p>		
<p>ASX Recommendation 7.3 – Internal Audit</p> <p><i>A listed entity should disclose:</i></p> <p>(a) <i>if it has an internal audit function, how the function is structured and what role it performs; or</i></p> <p>(b) <i>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.</i></p>	Yes	<p>The Company does not presently have an internal audit function. The Audit and Risk Committee ("Committee") have primary responsibility for oversight of the internal controls in place to detect and deter any activity contrary to its policy.</p> <p>The Audit & Risk Committee Charter provides for the Audit & Risk Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place.</p> <p>Given the Company's size and level of activity, the Board does not deem it appropriate to create an internal audit function or engage an external advisor to complete this function. Through external audit procedures and internal risk management policies and procedures the Board considers there to be sufficient processes in place for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>
<p>ASX Recommendation 7.4 – Economic and Sustainability Risks</p> <p><i>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.</i></p>	Yes	<p>The Audit & Risk Committee Charter requires the Audit & Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.</p> <p>Where the Company does not have material exposure to environmental or social risks, it will report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers.</p> <p>The Company will disclose material exposures to environmental or social risks in its Annual Report.</p>

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
ASX Recommendation 8.1 – Remuneration Committee <i>The board of a listed entity should:</i> <ul style="list-style-type: none"> (a) have a remuneration committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	Partially	<p>The Sustainability Committee has two members, all of whom are non-executive, and a majority are independent directors.</p> <p>Although the Sustainability Committee will comprise of only two members immediately upon Listing, it is the intention of the Board to appoint an additional Non-Executive Director after Listing who will act as an additional member of the Committee.</p> <p>The Committee is chaired by an independent director who is not the same person as the Chair of the Board.</p> <p>The Sustainability Committee Charter is available on the Company's website at www.silklogistics.com.au.</p> <p>An overview of the Committee membership, responsibilities, qualifications and experience is provided above under "Overview".</p> <p>Meeting details, former committee members and attendances will be set out in the Annual Report.</p>
ASX Recommendation 8.2 – Remuneration Policies and Practices <i>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.</i>	Yes	<p>The Company has established remuneration policies and procedures to ensure the following:</p> <ul style="list-style-type: none"> • Attract and retain Non-Executive Directors and senior executives and employees who will create value for shareholders; and • Fairly and responsibly reward employees having regard to the performance of the Group, the performance of each employee and industry remuneration conditions. <p>Details of these policies and procedures are set out in Remuneration Report section of the Company's Annual Report, as are the details of remuneration paid to Non-Executive Directors, the Managing Director and the Executive Committee. The Remuneration Report highlights the balance between fixed pay, short term incentive and long-term incentives, and the relationship</p>

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ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
		<p>to the Company's performance.</p> <p>In Q3 2021 the Company engaged an independent remuneration consultant to provide benchmarking data for key roles including Non-Executive Directors, Managing Director and the Executive Committee, to assist the Company in ensuring that remuneration packages remain competitive. This was not a remuneration recommendation for the purposes of the Corporations Act.</p>
<p>ASX Recommendation 8.3 – Policy on Limiting Economic Risk of Equity Based Remuneration <i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>(a) <i>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</i></p> <p>(b) <i>disclose that policy or a summary of it.</i></p>	Yes	<p>The Company has a Securities Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>The Securities Trading Policy is available on the Company's website at www.silklogistics.com.au.</p>

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PRINCIPLE 9: ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<p>ASX Recommendation 9.1 – <i>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.</i></p>	Not applicable	Not applicable to the Company.
ASX Recommendation 9.2 –	Not applicable	Not applicable to the Company.

ASX RECOMMENDATIONS	COMPLIANCE	DETAILED DESCRIPTION
<i>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</i>		
ASX Recommendation 9.3 – <i>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.</i>	Not applicable	Not applicable to the Company.