

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

SECOS Group Limited

ABN/ARBN

89064755237

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website:

☒ <https://secosgroup.com.au/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 25 August 2023 and has been approved by the board.

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

Date: **25 August 2023**

Name of authorised officer authorising lodgement: **Colin Lai**

¹ "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.

² 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.

³ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	☒ and we have disclosed a copy of our board charter at: https://secosgroup.com.au/investors/corporate-governance/	☐ set out in our Corporate Governance Statement OR ☐ 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.	☒	☐ set out in our Corporate Governance Statement OR ☐ 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.	☒	☐ set out in our Corporate Governance Statement OR ☐ 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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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/”).

⁵ 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, ⁴ 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: ⁵
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.	☐ and we have disclosed a copy of our diversity policy at: [insert location] and we have disclosed the information referred to in paragraph (c) at: [insert location] and if we were included in the S&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.	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: https://secosgroup.com.au/investors/corporate-governance/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://secosgroup.com.au/investors/corporate-governance/	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ 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: ⁵
1.7	A listed entity should: (a) have and 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.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: https://secosgroup.com.au/investors/corporate-governance/ and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: https://secosgroup.com.au/investors/corporate-governance/	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> 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: https://secosgroup.com.au/investors/corporate-governance/	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☐ and we have disclosed our board skills matrix at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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, 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 (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: https://secosgroup.com.au/investors/corporate-governance/ and, where applicable, the information referred to in paragraph (b) at: The FY23 annual report and the length of service of each director at: The FY23 annual report	☐ 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, ⁴ 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: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	☐	☒ set out in our Corporate Governance Statement OR ☐ 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.	☒	☐ set out in our Corporate Governance Statement OR ☐ 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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☐ and we have disclosed our values at: [insert location]	☒ 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.	☒ and we have disclosed our code of conduct at: https://secosgroup.com.au/investors/corporate-governance/	☐ 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.	☐ and we have disclosed our whistleblower policy at: [insert location]	☒ 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.	☒ and we have disclosed our anti-bribery and corruption policy at: https://secosgroup.com.au/investors/corporate-governance/	☐ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact 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>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://secosgroup.com.au/investors/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: The FY23 annual report <i>[If the entity complies with paragraph (b):]</i> 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:	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: https://secosgroup.com.au/investors/corporate-governance/	☐ 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.	☒	☐ 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.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://secosgroup.com.au/investors/corporate-governance/	☐ 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.	☒	☐ 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.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://secosgroup.com.au/investors/corporate-governance/	☐ 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.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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.	☒ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://secosgroup.com.au/investors/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: The FY23 annual report <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:	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: https://secosgroup.com.au/investors/corporate-governance/	☐ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
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.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: <i>[If the entity complies with paragraph (b):]</i> 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: https://secosgroup.com.au/investors/corporate-governance/	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed whether we have any material exposure to environmental and social risks at: https://secosgroup.com.au/investors/corporate-governance/ and, if we do, how we manage or intend to manage those risks at: <i>[insert location]</i>	☐ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☒ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: https://secosgroup.com.au/investors/corporate-governance/ and the information referred to in paragraphs (4) and (5) at: The FY23 annual report <i>[If the entity complies with paragraph (b):]</i> 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: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ 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: The FY23 annual report	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒ and we have disclosed our policy on this issue or a summary of it at: The FY23 annual report	☐ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
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.	☐ and we have disclosed information about the processes in place at: [insert location]	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ 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.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ 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.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<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.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	☐ set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ 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: ⁵
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

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This statement reflects SECOS Group Limited's ("SECOS or the Company") corporate governance policies and practices as at 30 June 2023 and which were in place throughout the year unless otherwise stated. The reporting period for this statement is the year ended 30 June 2023 ("Reporting Period")

The Board's philosophy is to adopt practices that are consistent with the best practice recommendations of the ASX Corporate Governance Council, where practical given the size and nature of the Company, and in the best interests of the Company. The governance practices are reviewed regularly.

A description of the Company's main corporate governance practices is set out below.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board of Directors - Role and Responsibilities

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board's responsibilities include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- ensuring the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market
- the establishment and maintenance of appropriate ethical standards and
- corporate Governance

Senior Management-Role and Responsibilities

The Board has delegated the responsibility for the day to day management of the Group, to the Chief Executive Officer and senior management, which includes

- management of the Group's operations and finances;
- reporting to the Board on matters including the Group's safety performance, operations and financial performance;
- recommending corporate strategic initiatives, budgets, plans and policies to the Board;
- maintaining an effective risk management framework and keeping the Board fully informed about material risks;
- determining Group policies, other than those reserved for the Board.

The Board constantly monitors the performance of the Chief Executive Officer and senior management in their undertaking of these duties.

Board Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company and procedures outlined in the Company's Constitution and the Corporations Act 2001 (Cth).

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company gives shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the notice of the meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.

Terms of Appointment-Directors and Senior Executives

SECOS ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them. Material terms of contracts of employment are included in the remuneration report which is published in the Annual Report.

The Company Secretary

The Company Secretary is appointed by the Board and is responsible for advising the Board on all governance matters, ensuring Board policies and procedures are followed. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

The Company Secretary is Mr. Colin Lai, whose qualifications and experience are stated in the Company's latest Annual Report.

Diversity

The Board, Senior management and workforce of the Group comprise individuals who, while culturally diverse, collectively possess an appropriate blend of qualifications, skills and experience. The Company recognizes the positive advantages of a diverse workplace and is committed to:

- creating a working environment conducive to the appointment of well qualified employees,
- identifying ways to promote a corporate culture which embraces diversity.

At this stage, due to nature and scale of its current activities, the Group has not established a formal diversity policy. With operations and employees across four countries including significant manufacturing plants in China and Malaysia, the company has significant levels of cultural diversity. The Board will give consideration to adopting a formal diversity policy in the near future and will give further consideration to the establishment of objectives for achieving gender diversity in respect of the Board Composition and Senior Executives parameters as the Company develops and its circumstances change.

The composition of men and women on the Board, in senior executive positions and across the whole organization is set out in the following table. "Senior executive" for these purposes means the persons designated as senior executives by the Board.

As at 30 June 2023	Proportion of women
Board	1 out of 5 (20%)
Senior Executives	3 out of 7 (42%)
Senior Management	3 out of 10 (30%)
Whole Organization	62 out of 201 (31%)

Performance Review and Evaluation

During the Reporting Period, the Board has adopted a self-evaluation process to measure its own performance, that of individual directors and the performance of its committee functions.

The Chairman meets periodically with the individual directors regarding their role and performance as a Director. The Chairman's performance is also evaluated by the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of all the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability skill levels, understanding of industry complexities, risks and challenges, and value adding contribution to the business.

The overall outcomes are discussed by the Board with measures taken to improve the effectiveness and efficiency of individual directors and the Board collectively. A Board performance evaluation was conducted during the Reporting Period.

The Chief Executive Officer's performance is evaluated by the Chairman.

The Chief Executive Officer is responsible for evaluating the performance of senior executives.

During the Reporting Period, the Chairman conducted an evaluation of the Chief Executive Officer's performance. The Chief Executive Officer undertook an informal performance review of the senior executives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Board of Directors - Composition, Structure and Process

The Board has been formed so that it has an effective mix of personnel who are committed to discharging their responsibilities and duties and being of value to the Company. There were four directors on the Board up until 25 May 2023 and five directors from thereon. Ms Natalya Jurcheshin was appointed as Non-Executive Director on 25 May 2023. The Directors periodically review whether the size and composition of the Board remains appropriate to the Company's activities and operating environment.

The Constitution requires a minimum number of three Directors. The maximum number of Directors is fixed by the Board but may not be more than eight Directors, unless the members of the Company, in a general meeting, resolve otherwise. The names of the Directors, and their qualifications and experience are stated in the Company's latest annual report along with the term of office held by each.

Nomination Committee

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that further division of the Board for the purposes of establishing a formal committee structure would not achieve enhanced efficiency or enable the Board to add greater value to this process. Accordingly, the Board has performed the role of the Nomination Committee to consider directors competencies, selection and nomination practices in the context of duly constituted meetings of the Board and as a part of its self-evaluation process.

Skills, Knowledge and Experience

During the Reporting Period, the Company did not have or disclose a formal skill matrix. However, as an ongoing process, the Board seeks to ensure that its members have an appropriate mix of skills, knowledge and experience to enable it to properly perform its responsibilities and be well equipped to navigate the Company through the many opportunities and challenges it faces. The qualifications, skills, experience and expertise relevant to the position of director held at the date of the Annual Report is set out in the Company's latest Annual Report. It is expected that as the Company grows, a formal skill matrix will be developed and disclosed.

Independence and Composition of the Board

The Board considers the independence of directors having regard to the relationship listed in the ASX Corporate Governance Principles and Recommendations.

The length of service of each director is set out in the Directors' Report of the Company's latest Annual Report.

The Directors who are deemed independent are Mr Jim Walsh and Ms Natalya Jurcheshin (appointed 25 May 2023). The Company does not have a majority of directors who are independent, as recommended by ASX Corporate Governance Council best practice recommendation 2.1. Given the size, nature and stage of development of the Company, the Board does not consider it cost effective and in the best interests of the Company for there to be a majority of independent directors.

However, where any Director has a material personal interest in a matter, in accordance with the *Corporations Act 2001*, the Director will not be permitted to be present during discussion of that matter or to vote on it. The enforcement of this requirement aims to ensure that the interest of shareholders as a whole, is pursued and that neither their interest nor the Director's independence is adversely affected.

Chairman

The independent Chair of the Board is Mr Jim Walsh.

Induction and Professional Development

Procedures for induction of new directors are in place to allow new directors to participate fully and actively in board decision making at the earliest opportunity.

All Directors, upon appointment, are offered an induction program appropriate to their experience upon appointment so as to familiarize them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company, its products, services and operations, scheduled meetings with the Chairman and the Chief Executive Officer of the Company.

Directors collectively or individually have the right to seek independent professional advice at the Company's expense, subject to the prior approval of the Chairman; to assist them to carry out their responsibilities. All advice obtained is made available to the full Board.

The Board holds regular meetings, generally monthly and holds additional meetings whenever necessary to deal with specific matters requiring attention. Each member of the Board has agreed to keep confidential all information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorized or legally mandated.

All Directors have access to company records and information and receive regular detailed financial and operational reports from senior management.

The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the SECOS constitution and the law. Management is available to discuss reports, and any issue arising from management of the Company's operations, with the Board as required.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Company Values

At this stage, due to nature and scale of its current activities, the Group has not established formal company values. The Board and management will give consideration adopting values in the near future and will give further consideration to the establishment of objectives for value as the Company develops and its circumstances change.

Code of Conduct

The Company has established a Code of Conduct for its Directors, senior executives and employees which is disclosed on the Company's website.

The Company has a Securities Trading Policy that regulates the dealings by Directors, officers and employees, in shares, options and other securities issued by the Company.

The policy has been formulated to ensure that directors, officers, employees and consultants who work on a regular basis for the Company are aware of the legal restrictions on trading in company securities while in possession of unpublished price-sensitive information.

Whistleblower Policy

At this stage, due to nature and scale of its current activities, the Group has not established a formal Whistleblower policy. The Board will give consideration to adopting a Whistleblower policy and will give further consideration to the establishment of objectives of the Whistleblower policy as the Company develops and its circumstances change.

Anti-bribery and Corruption Policy

The Company has established an Anti-bribery and Corruption Policy for its Directors, senior executives and employees which is disclosed on the Company's website. The policy has been formulated to ensure that directors, officers, employees comply with local laws and international good practice and will not become involved in any way in the offering, payment, soliciting or acceptance of bribes in any form.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Risk and Audit Committee

The members of the Risk and Audit Committee at the date of this report consist of Mr Jim Walsh, Mr Don Haller Jr and is chaired by independent director, Ms Natalya Jurcheshin. The Audit Committee was established by the Board to give additional assurance regarding the quality and reliability of financial information used by the Board pursuant to statutory reporting requirements. The members of the Committee meet formally on a quarterly basis and on an ad hoc basis as required. As per the Risk and Audit Committee charter, the committee remains responsible for:

- independently reviewing the financial information prepared by management
- recommending the operational and compliance risk policies for approval by the Board
- reviewing assurances on the effectiveness of the internal control systems
- overseeing, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders
- overseeing and appraising the independence, effectiveness and scope of work of the internal and external auditors
- reviewing the effectiveness of the process implemented to monitor compliance with applicable laws and regulations
- reporting to the Board on its activities and table the minutes of Risk and Audit Committee meetings.

Chief Executive Officer and Chief Financial Officer Declarations

At the date of this document, the Chief Executive Officer and Chief Financial Officer have provided written declarations to the Board confirming that the Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with the relevant accounting standards and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.

External Auditor

The Company ensures that its external auditor is invited to, and attends, the Annual General Meeting. The auditor's presence is made known to shareholders during the meeting, and Shareholders are provided with an opportunity to address questions to the Auditors.

All periodic corporate reports which are not subject to external audit review are prepared by the Senior Executive team and reviewed and approved by the Board prior to being release by the Company.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the Australian Securities Exchange (“ASX”) as well as communicating with the ASX. In accordance with the ASX’s ‘Listing Rules’ the Company immediately notifies the ASX of information concerning the Company:

- That a reasonable person would or may expect to have a material effect on the price or value of the Company’s securities; and
- That would or would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company’s securities.

In relation to investor and analyst presentations, a copy of the presentation is released to the ASX in advance of the presentation.

The Board receives copies of all material market announcements promptly after they have been made to the ASX.

The Company has established written policies and procedures for complying with its continuous obligations under the ASX Listing Rules. A Summary of the Company’s Policy on Continuous Disclosure is disclosed on the Company’s website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Market and Shareholder Communication

The Company acknowledges that increasing shareholder value is the Company’s key mission and shareholders require an understanding of the Company’s operations and performance to enable them to be aware of how that mission is being fulfilled.

The Board therefore considers it paramount to ensure that shareholders are informed of all major developments affecting the Company and have the opportunity to communicate their views on the Company to the Board. Information is communicated to shareholders through various means including:

1. The Company’s website (www.secosgroup.com.au) provides information on the Company including its background, objectives and contact details. Communicating effectively with shareholders through ongoing releases to the market via the ASX and the Company’s website, and the general meetings of the Company.
2. The annual report which is distributed to shareholders if they have elected to receive a printed version and is otherwise available for viewing and downloading from the Company’s or ASX’s website.
3. Half Yearly Financial Reports which are available for viewing and downloading from the Company’s or ASX’s website.
4. Quarterly Cashflow Reports which are available for viewing and downloading from the Company’s or ASX’s website.

The Chairman, Chief Executive Officer, and Chief Financial Officer and Company Secretary, have general responsibility to speak to the media, investors and analysts on the Company’s behalf.

Shareholders Meetings

The Board encourages active participation by security holders at each Annual General Meeting, or other general meetings, to ensure a high level of accountability and understanding of SECOS’ strategy, performance and goals.

Consistent with best practices, the Company has the following processes in place:

1. Meetings are held in a locality, and at a readily accessible venue, conducive to maximizing the number of security holders present, and able to participate, at the meeting. In addition, virtual meeting facilities are to be provided if and when a physical meeting is not possible.

2. Important issues are presented to security holders as single resolutions expressed in plain, unambiguous language.
3. Security holders are provided with opportunity to ask questions to Directors at the Annual General Meeting and at general meetings.
4. Requesting the External Auditor to attend the Annual General Meeting and be available to answer shareholder's questions about the conduct of the audit, and the preparation and content of the Auditor's Report.

The Company's Shareholder Communication Policy is disclosed on the Company's website.

Option to communicate electronically

The Company welcomes electronic communication from its Shareholders via its publicized email address (info@secosgroup.com.au). In addition, details of ASX announcements and Company reports are distributed to interested parties via email as well as being uploaded to the website www.secosgroup.com.au.

The Company's share registry also engages with Shareholders electronically and makes available a range of relevant forms on its website. Shareholder can register with the Share Registry to access their personal information and shareholdings via the internet.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk Management

The Chief Executive Officer and the Chief Financial Officer are responsible for logging and reporting risk within the business on the Risk Register. This register is updated regularly and formally reviewed by the Board annually to ensure that appropriate controls are in place to mitigate known risks. This was reviewed during the financial year ending 30 June 2023.

The Company's risk management and control policy framework incorporates the maintenance of appropriate policies, procedures and guidelines designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives.

Internal Audit

The Chief Executive Officer and senior management are charged with resourcing, operating and monitoring the system of internal control, incorporating risk responses in the form of controls into the Company's management systems, and reporting results on balanced assessments regarding the effectiveness of internal controls to the Board.

Material Exposure to Economic, Environmental and Social Sustainability Risks

The Company has considered its economic, environmental and social sustainability risks and believes that it does not have a material exposure to economic, environmental and/or social sustainability risks. The Company believes through its offering of sustainable biopolymers bags and films it is making a positive contribution to the environment.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Committee

The members of the Remuneration Committee at the date of this report consist of Mr Don Haller Jr, Ms Natalya Jurcheshin and is chaired by independent director, Mr Jim Walsh. This is considered to be in the best interest of the Company.

The committee has given due consideration to the overall remuneration policies and strategies and strategies of the Company during the conduct of its regular meetings and by appropriate recourse to relevant market data and where applicable to external remuneration consultants.

As per the Remuneration Committee charter, the main functions of the Committee are as follows:

- Delegate to the Board on certain responsibilities which will require formal reporting back to the Board. Ultimate responsibility for remuneration policy matters rests with the Board.
- The Committee also serves as the remuneration committee for SECOS Group subsidiary boards. In that context, it has been delegated responsibility for remuneration arrangements and performance management processes relating to the General Managers of those entities.
- The Committee will review the remuneration and incentive framework for all SECOS' staff, including:
 - the Chief Executive Officer ("CEO"); and
 - the Group Executive and General Managers.
- The Committee will review the remuneration paid to members of the Board and SECOS Group subsidiary boards.
- The Committee will review the following matters and consider whether any significant matters should be brought to the attention of the Board or SECOS Group subsidiary boards:
 - the processes for overseeing performance accountability and effective monitoring of senior management, including setting and evaluating performance against goals and targets;
 - SECOS' remuneration structure, including STI and LTI arrangements and participation;
 - whether SECOS' remuneration arrangements comply with compliance with SECOS' policies and procedures, or any other applicable regulatory requirements;
 - incentives and behaviours arising from SECOS' remuneration structure;
 - senior executive succession and key staff succession plans;
 - recruitment and retention strategies and termination policies and procedures;
 - achievement against diversity objectives;
 - the remuneration report; and
 - other relevant matters identified or requested by the Board.

Executive and Non-Executive remuneration

The remuneration paid to Executive Directors and senior executives is distinguished from that paid to Non-Executive Directors.

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive directors. Non-Executive Directors do not receive performance-based bonuses and do not participate in Equity Schemes of the Company without prior shareholder approval.

A review of the remuneration arrangements for the Chief Executive Officer and Senior Executives is performed annually and is based upon a criteria including individual performance, market rates paid for similar positions and the results of the Company during the relevant period.

The remuneration policy objective of SECOS is to ensure that the emoluments provided properly reflect the person's duties and responsibilities and is designed to attract, retain and motivate executives of the highest quality and standard to enable the organization to succeed.

Further details on the Company's remuneration policy and current remuneration details are disclosed in the Directors' Report.

Equity based remuneration scheme

The Company has an employee incentive plan by way of an equity scheme which was adopted with approval of shareholders at the 2020 Annual General Meeting. The Company's Share Trading policy includes a clause that all the employees including key management personnel are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.