

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

DDH1 Limited

ABN/ARBN

ABN 486 366 77088

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://ddh1.com.au/our-company/#corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 29 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: 29 August 2023



Name of authorised officer
authorising lodgement:

Sy Van Dyk, Managing Director & CEO

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 <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
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.	<input checked="" type="checkbox"/> The Board Charter is available on DDH1's website at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> 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 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
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> DDH1’s Inclusion and Diversity Policy is available for viewing at the company’s website at: www.ddh1.com.au/our-company/#corporate-governance</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p><u>Commentary on ASXCGP 1.5(c):</u></p> <p>No measurable objectives have been set against the Company’s Diversity Policy.</p> <p>Whilst the Board did not set any specific measurable objectives for achieving gender diversity during the reporting period, the Company’s approach to filling existing vacancies or new positions has been to apply general strategies, which encourage diversity. This included recruiting from a diverse pool of candidates and identifying factors in recruitment and selection processes that encourage diversity.</p> <p>Board Diversity - 33.33% of DDH1’s current directors are female.</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement at: www.ddh1.com.au/our-company/#corporate-governance and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement at: www.ddh1.com.au/our-company/#corporate-governance and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>The Nomination Committee Charter is available on DDH1's website at: www.ddh1.com.au/our-company/#corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5) is disclosed in our Corporate Governance Statement and the Directors' Report on page 69 of DDH1's FY23 Annual Report which is available on DDH1's website at: https://ddh1.com.au/investors/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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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.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement at: www.ddh1.com.au/our-company/#corporate-governance and we have disclosed the information referred to in paragraph (b) & (c) in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input type="checkbox"/>	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable <u>Commentary on ASXCGP 2.4:</u> During the reporting period, the Board comprised of three Independent Non-Executive Directors, two Non-Executive Directors (who are not considered independent as they each represent substantial shareholders), and the Managing Director & CEO.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Corporate Governance Statement at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our Code of Conduct at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our Whistleblower Policy at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the Audit & Risk Committee at: www.ddh1.com.au/our-company/#corporate-governance</p> <p>and we have disclosed the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and in the Directors' Report contained on page 69 of DDH1's FY23 Annual Report, which is available on DDH1's website at: https://ddh1.com.au/investors/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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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.	<input checked="" type="checkbox"/> Ready access to information about the Company and all relevant corporate governance information is available via the Company's website at: www.ddh1.com.au/our-company/	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at our Corporate Governance Statement at: www.ddh1.com.au/our-company/#corporate-governance	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the Audit & Risk Committee at:</p> <p>www.ddh1.com.au/our-company/#corporate-governance</p> <p>and we have disclosed the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and in the Directors' Report contained on page 69 of DDH1's FY23 Annual Report, which is available on DDH1's website at: https://ddh1.com.au/investors/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement at:</p> <p>www.ddh1.com.au/our-company/#corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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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.	<input type="checkbox"/> and we have disclosed how our internal audit function is structured and what role it performs in our Corporate Governance Statement.	<input checked="" type="checkbox"/> set out in our Corporate Governance Statement <u>Commentary on ASXCGP 7.3</u> For the reporting period, the Company did not have an internal audit function. The Audit and Risk Committee periodically reviews the need for an internal audit function and monitors the adequacy of existing internal controls.
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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement and the Risk Management Report on page 63 of DDH1's FY23 Annual Report, which is available on DDH1's website at: https://ddh1.com.au/investors/	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the People Committee at:</p> <p>www.ddh1.com.au/our-company/#corporate-governance</p> <p>and we have disclosed the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement and in Directors' Report on page 69 of DDH1's FY23 Annual Report, which is available on DDH1's website at: https://ddh1.com.au/investors/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in the Remuneration Report on pages 81 to 100 of DDH1's FY23 Annual Report, which is available on DDH1's website at: https://ddh1.com.au/investors/</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our Securities Trading Policy on this issue at: www.ddh1.com.au/our-company/#corporate-governance</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

About DDH1 Limited

DDH1 Limited (ASX: DDH) is Australia's largest mineral drilling contractor providing high quality surface and underground drilling services to a diverse group of exploration and mining houses across a balanced spread of mineral commodities. Established in 2006, DDH1 is an industry leader in enabling its clients to secure quality mineral samples with exceptional spatial accuracy.

DDH1 employs around 1,600 people and operates a fleet of 193 highly specified mineral drilling rigs across its four brands, namely DDH1 Drilling, Ranger Drilling, Strike Drilling, and Swick Mining Services. Offering clients, the full suite of mineral drilling services including air core, reverse circulation, and both surface and underground core drilling.

DDH1's drill rig fleet is a strategically important asset within the Australian mining industry. Surface drilling is performed across Australia by DDH1 Drilling, Ranger Drilling, and Strike Drilling while Swick Mining Services has a global presence performing underground drilling services across Australia, North America, and Western Europe. DDH1 has a strong reputation for innovation in rig design and drilling practices that deliver improvements in productivity, safety, and value.

Central to DDH1's strategic approach is the pursuit of long-term relationships with clients, built on quality drilling services and a deep understanding of their business needs.

For more information, please visit www.ddh1.com.au



DDH1 Limited
ABN 48 636 677 088

2023 Corporate Governance Statement

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ABOUT THIS REPORT

DDH1 Limited (the **Company**) is committed to achieving best practice standards of corporate governance. The Board has implemented and operates in accordance with a set of corporate governance principles, which the Board sees as fundamental to the Company's continued growth and achievement of its corporate ambition and strategy. The Board continues to review the Company's corporate governance framework and practices to ensure they meet the interests of shareholders.

This Corporate Governance Statement outlines the key aspects of the Company's corporate governance framework established by the Board and its compliance with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**ASX Principles**) for the period 1 July 2022 to 30 June 2023.

The Board approved this Corporate Governance Statement on 29 August 2023.

This Corporate Governance Statement should be read in conjunction with the Company's 2023 Annual Report (**FY23 Annual Report**). Further information about the Company's corporate governance practices and copies of key governance documents referred to in this document are available on the Company's website at: <https://ddh1.com.au/our-company/#corporate-governance>

1. OUR APPROACH TO GOVERNANCE

The Board is committed to achieving the ASX Principles of corporate governance and business conduct, fostering a culture of compliance that values integrity, ethical behaviour, accountability, transparency, and respect for all stakeholders.

The Board continues to build on its foundation of governance to continually improve and ensure it complies with current regulations, market practices and stakeholder expectations.

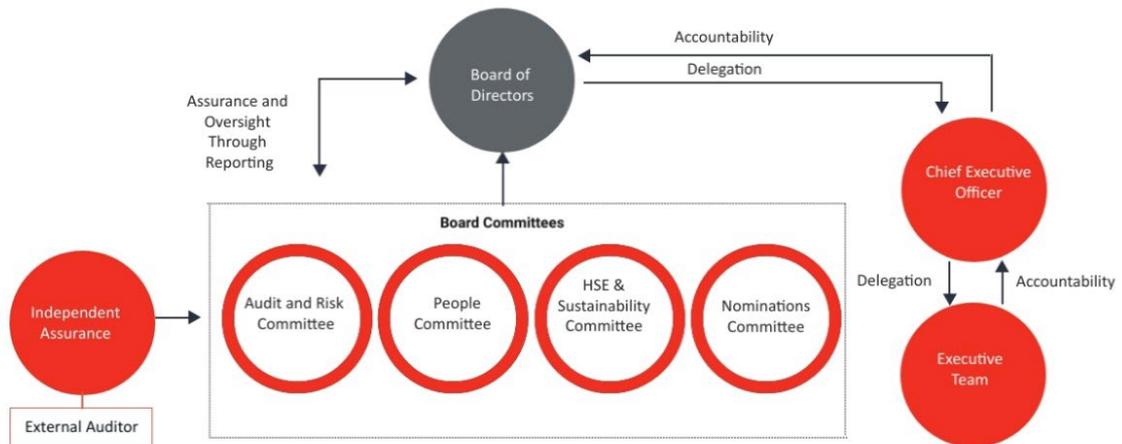
The Company's corporate governance framework plays a critical role in helping the Board and the business deliver on its strategy and objectives. It provides the structure through which business objectives are set, performance is monitored, and risks are managed.

The Company's corporate governance framework and practices are aligned with ASX Principles.

ASX Principles	Sections
Principle 1 Lay solid foundations for management and oversight	2, 5
Principle 2 Structure the Board to be effective and add value	2, 3
Principle 3 Instil a culture of acting lawfully, ethically and responsibly	5
Principle 4 Safeguard the integrity of corporate reports	3, 4
Principle 5 Make timely and balanced disclosures	7
Principle 6 Respect the rights of security holders	7
Principle 7 Recognise and manage risk	6
Principle 8 Remunerate fairly and responsibly	2, 3, 5

2. OPERATION OF THE BOARD

The Company's corporate governance framework is illustrated below:



2.1 The Role of The Board

The Board is responsible to shareholders for the Company's overall strategy, governance, and performance.

The Board has a charter that sets out its authority, responsibilities and membership and the arrangements by which it operates. The charter also describes those matters expressly reserved for the Board and those delegated to management.

The Board's primary role is to provide leadership and strategic guidance for the Company and provide oversight of management in implementing the Company's strategic objectives and installing a culture that supports the Company's purpose and values. The Board meets regularly to review the Company's performance and progress against its strategy.

The Board strives to deliver sustainable value to its shareholders while taking into account the interests of other stakeholders. The Board recognises its responsibility to act honestly, fairly, diligently and in accordance with the law and instil these values throughout the organisation.

The Board has established a Delegation of Authority – Group Standard outlining the matters reserved to the Board and those delegated to the executive and management.

Details of the number of Board meetings held during the reporting period and attendance by Directors are set out in the Directors' Report in the Company's FY23 Annual Report.

The **Board's Charter** is available on the Company's website.

2.2 Board Structure and Composition

The Board is structured to comprise of individuals with appropriate skills, knowledge, experience, and diversity to develop and support the Company's long-term strategy and enable it to discharge its responsibilities and add value, including facilitating effective discussion and efficient decision making. The Board determines its size and composition, subject to the Constitution of the Company.

The Board currently has six Directors, comprising five Non-Executive Directors and one Managing Director.

Each Director, and their length of service, are listed in the table below. Details of each Director's appointment, qualifications, experience, and special responsibilities are set out in Company's FY23 Annual Report.

Non-Executive Directors	Independence	Appointed
Diane Smith-Gander AO. <i>Chairperson</i>	Independent	8 February 2021
Andrea Sutton	Independent	8 February 2021
Alan Broome AM ¹	Independent	8 October 2019
Murray Pollock ¹	-	8 February 2021
Byron Beath ¹	-	8 February 2021
Managing Director & CEO		
Sy Van Dyk	-	8 February 2021

¹ Directors, Alan Broome, Murray Pollock, and Byron Beath, were Directors of DDH1 Holdings Pty Ltd for several years before the formation of DDH1 Limited. Mr Pollock and Mr Beath represent major shareholders and are therefore not considered independent, refer to section 2.3.

2.3 Director Independence

The Company recognises that having independent Directors helps to ensure that the decisions of the Board reflect the best interests of the Company and its shareholders generally and that those decisions are not biased towards the interests of management or any other group.

In determining whether a Director is independent, the Board considers whether the Director is free of interests that could (or could be perceived to) materially interfere with the independent exercise of that Director's judgement and their capacity to act in the best interests of the Company and its shareholders generally. The Board takes a qualitative approach to assessing materiality and independence on a case-by-case basis by reference to each Director's individual circumstances rather than applying strict quantitative thresholds.

The Board assesses the independence of new Directors upon appointment and regularly assesses the independence of each Non-Executive Director. Each Director is required to provide the Board with all relevant information to enable it to make this assessment.

During the reporting period, the Board reviewed the independence of Non-Executive Directors in accordance with the ASX Principles.

Non-Executive Directors Murray Pollock and Byron Beath are not considered to be independent as they each represent major shareholders who hold 11.82% and 20.13%, respectively.

The Managing Director and Chief Executive Officer, Sy Van Dyk, is not independent as he is an executive of the Company.

2.4 The Role of the Chairperson

The Directors have elected Diane Smith-Gander as Chair of the Board. Ms Smith-Gander was appointed to the Board on 8 February 2021 and became the Chair on 9 March 2021.

The Chair is independent and a Non-Executive Director. The role of the Chair includes leading the Board, facilitating and encouraging constructive discussion, representing the Board to shareholders, communicating the Board's position and undertaking performance evaluations of the Board, its committees, and individual Directors.

Ms Smith-Gander's qualifications and experience are set out in the Directors' Report in the Company's FY23 Annual Report.

Further details on the role of the Chair are set out in the **Board Charter**.

2.5 The Role of the Managing Director

The Board delegates management of the Company's affairs and implementation of the corporate strategy and policy initiatives to the Company's Managing Director and Chief Executive Officer (**Managing Director & CEO**).

Mr Sy Van Dyk commenced in the role of Chief Executive Officer in October 2018 and was appointed Managing Director on 8 February 2021.

The Managing Director & CEO is responsible for the day-to-day management of the Group. The Managing Director & CEO is supported in this function by delegating authority to the appropriate Group Executives for specific activities and transactions. A formal Delegation of Authority - Group Standard governs this authority.

The Managing Director & CEO and Group Executives are responsible for providing the Board and Board Committees with accurate, timely and clear information on the Group's operations. This includes information on compliance with material legal and regulatory requirements and any conduct which is materially inconsistent with the Company's Policies and Code of Conduct.

2.6 Composition, Selection and Appointment

The Board has established a Nominations Committee, which comprises all Board members, to review Board composition and succession matters. This includes responsibility for reviewing and making recommendations to the Board regarding Board size and composition, identifying individuals believed to be qualified to become Board members and recommending such candidates to the Board.

In assessing potential candidates and in undertaking reviews of the size and composition of the Board, the Nominations Committee considers the guiding principle that the Board's composition should reflect an appropriate mix having regard to such matters as:

- skills and experience across the key areas identified in the Board's Skills Matrix (refer to section 2.7);
- Directors' tenure; and
- diversity and inclusion.

Before the Board appoints a new Director or puts forward a candidate for election, the Nominations Committee undertakes appropriate checks, including but not limited to reviewing the person's character, experience, education, criminal record, and bankruptcy history. Existing Directors conduct interviews with the potential candidates to ensure there is an appropriate fit for the Company's strategic direction.

2.7 Board Skills and Experience

The Board is committed to ensuring that the composition of the Board continues to include Directors who bring an appropriate mix of skill, experience, and expertise to Board decision-making. The Board also aims to retain a balance between Directors with experience and knowledge of the Company's business and history and new Directors who bring an external perspective and different insights.

The Board has an objective of maintaining at least 30% female membership of the Board.

To the extent that any skills are not directly represented on the Board, they are realised through management and external advisors.

The Board has created the following Board Skills Matrix, capturing the key skills and other attributes of Board members, which it believes are needed for robust decision-making and the effective governance of the Company.

The Board considers the Board Skills Matrix to guide its assessment of the skills and experience of new and existing Directors and identify any gaps in the Board's collective expertise for the purpose of Board succession planning.

The Board Skills Matrix describes the proportion of Directors on the Board with particular areas of competence, skills and experience. The Board Skills Matrix recognises the Director's level of proficiency or practiced or perceptive awareness in the area of competence.

2.8 Director Retirement, Re-Election, and Tenure

Any Director appointed during the year must stand for election at the Company's next Annual General Meeting.

In addition, one-third of the Board members (excluding the Managing Director and any Director standing for election) must retire by rotation at every Annual General Meeting of the Company and may stand for re-election.

The Board's recommendation regarding the re-election of an existing Director is not automatic and is contingent on their past performance, contribution to the Company, and the current and future needs of the Board and the Company.

Shareholders are provided with all material information in the Company's possession relevant to their decision as to whether to elect or re-elect a Director.

Board Skills Matrix

 highly proficient or practiced

Skills/Competency

No. of Directors as of 30 June 2023

Board Representation

1 2 3 4 5 6

Leadership

Experience in an executive role in an organisation of at least a similar size and complexity to DDH1.



Strategy and Commercial

Ability to assess, analyse and implement strategic objectives, business plans and performance.



Relevant Industry Experience

Experience working in drilling services, mining, or mining services industry, with strong knowledge of its economic drivers and business perspectives.



Financial Acumen

Ability to understand, analyse financial performance, and contribute to the oversight of the integrity of financial reporting and the effectiveness of financial controls.



Culture / People / WH&S

Experience managing matters relating to people, including workplace safety, cultures, diversity, and human capital strategies.



Risk Management

Experience in the management of key business risks (financial and non-financial) and emerging risks.



Customers and Stakeholder Management

Experience in developing and overseeing the embedding of a customer and stakeholder focused culture in organisations.



Governance

Knowledge and commitment to best-practice governance, environmental and social issues, and oversight of governance frameworks, policies, and processes.



2.9 Non-Executive Director and Executive Remuneration

Information about the structure of the Non-Executive Directors' remuneration and the remuneration of the executives is set out in the Remuneration Report in the Company's FY23 Annual Report.

The Board approved a **Remuneration Policy**, which describes the remuneration principles and decision-making procedures regarding remuneration arrangements for Key Management Personnel, comprising Non-Executive Directors, the Managing Director & CEO, and the Chief Financial Officer.

2.10 Performance Reviews

Board Performance

The performance of the Board, its committees, and individual Directors is evaluated periodically. A review of the Board's performance was completed during the reporting period. The review focused on assessing performance across nine core elements for effective governance.

Managing Director & CEO's Performance

The Managing Director & CEO has a written agreement with the Company setting out his employment terms, including remuneration and performance requirements.

The Board is responsible for monitoring management's performance and implementation of the Company's strategy, including conducting a performance review of the Managing Director and Chief Executive Officer.

The Chair meets regularly with the Managing Director & CEO to discuss matters related to his performance.

2.11 Other Information

Appointment Documentation

Upon appointment, each new Director receives a letter of appointment, which sets out the formal terms of their appointment. Directors also receive a deed of indemnity, insurance, and access.

Induction For New Directors

New Directors are provided with an induction that includes meeting with the Board Chairperson, the Managing Director & CEO, the Chief Financial Officer, and other Group Executives to gain valuable insights into relevant operational and corporate matters. This is followed up by additional meetings or information that the new Director may request.

Conflicts Of Interest

Directors are required to disclose all interests that may conflict with their duties.

The Board Charter includes a Conflicts of Interest Protocol. Pursuant to this protocol, a Director may, at any time, declare a conflict of interest in relation to a matter by notification to the Board and the Company Secretary in writing.

If a Director has a material personal interest in a matter being considered by the Board, they must not be present for the consideration of that matter or vote on the matter and will not receive any information related to that matter.

Director's Right to Independent Advice

To help Directors fulfil their responsibilities, each Director has the right (with the prior approval of the Chairperson) to seek independent professional advice, at the Company's expense, about his or her responsibilities.

In addition, the Board and each Board Committee may, at the Company's expense and with the approval of the Chairperson, obtain any independent professional advice it requires to assist in its work.

Continuing Education for Directors and Executives

All Directors are expected to maintain the knowledge and skills required to discharge their obligations to the Company.

The Board and its Committees also conduct continuing education sessions as appropriate and seek to identify topics as part of their self-assessment.

Internal and external experts are engaged, as required, to conduct education sessions.

2.12 The Role of Company Secretaries

The Board is responsible for the appointment of the Company Secretary. The Company Secretary is directly accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board has appointed two Company Secretaries.

Profiles qualifications and experience of each Company Secretary are set out in the Directors' Report in the Company's FY23 Annual Report.

3. BOARD COMMITTEES

3.1 Board Committee Structure

The Board has established four standing Committees to assist in the discharge of its responsibilities:

- Audit and Risk Committee
- People Committee
- Health, Safety, Environment (HSE) and Sustainability Committee
- Nominations Committee

Periodically, the Board will review the composition of each Board Committee. When required, the Board may establish special purpose sub-committees to give detailed consideration to specific matters or projects.

An overview of the members, composition and responsibilities of each Board Committee is set out below:

Members	Composition	Key Responsibilities
Audit and Risk Committee		
Alan Broome AM (Chair) Byron Beath Andrea Sutton	<ul style="list-style-type: none"> ✓ Three members. ✓ Only Non-Executive Directors and a majority of which must be independent. ✓ An independent Chair who is not Chair of the Board. ✓ At least one member who has financial expertise. 	<ul style="list-style-type: none"> • Integrity of financial reporting and effectiveness of financial risk management and internal controls. • External audit scope, effectiveness, and auditor independence. • Effectiveness of risk management framework, supporting risk reports and risk appetite.
People Committee		
Andrea Sutton (Chair) Murray Pollock Diane Smith-Gander AO	<ul style="list-style-type: none"> ✓ Three members. ✓ At least two Independent Non-Executive Directors. ✓ An independent Chair. ✓ At least two members who have an understanding of executive remuneration and the associated regulatory framework. 	<ul style="list-style-type: none"> • Make recommendations in relation to remuneration of Non-Executive Directors. • Performance and remuneration of, and incentives for, the Managing Director & CEO and other Senior Executives. • Remuneration strategies, practices, and disclosures. • Oversight of people, including development and succession planning, diversity, and culture.
HSE and Sustainability Committee		
Murray Pollock (Chair) Andrea Sutton Alan Broome AM	<ul style="list-style-type: none"> ✓ Three members. ✓ At least two Independent Non-Executive Directors. ✓ An independent Chair. ✓ At least two members who have an understanding of health, safety, environment, ESG and the associated regulatory framework. 	<ul style="list-style-type: none"> • Make recommendations in relation to HSE strategy. • Monitor the HSE culture of the Group. • Consider the reports regarding the effectiveness of health and safety management systems. • Make recommendations in relation to the Group's sustainability strategy. • Review of significant programs aimed at reducing the Group's carbon footprint.
Nominations Committee		
All Directors	<ul style="list-style-type: none"> ✓ All Directors. ✓ An independent Chair. 	<ul style="list-style-type: none"> • Review of matters to do with Board composition, selection, and appointment. • Succession planning for the Board and Executives.

Non-Executive Directors may attend other Board Committees meetings and are provided with papers for all meetings.

Board Committee members' relevant qualifications and experience are set out in the Directors' Report in the Company's FY23 Annual Report.

The Managing Director & CEO and certain other Group Executives are invited to attend Board Committee meetings. However, their presence is not automatic, and they do not attend if their remuneration is being considered or discussed.

Each Board Committee may, within the scope of its responsibilities, have unrestricted access to management, employees, and information it considers relevant to the carrying out of its responsibilities under its charter.

Each Board Committee may request the attendance of any external party at meetings as appropriate.

Board Committees report to and make recommendations to the Board. The Chair of each Board Committee reports to the Board after each meeting.

Details of the number of Board Committee meetings held during the reporting period and each Committee member's attendance are set out in the Directors' Report in the Company's FY23 Annual Report.

3.2 Committee Membership and Responsibilities

Each of the Board Committees:

- is comprised of a majority of Non-Executive Directors – and has at least three members;
- has its own charter;
- has the powers necessary to discharge their responsibilities; and
- has the Board appoint one of its members as Committee Chair.

Each Board Committee has a charter setting out its role and responsibilities, objectives, composition, structure, membership requirements, and how the Committee operates.

The **Board Committee Charters** are available on the Company's website.

3.3 Audit and Risk Committee

The Audit and Risk Committee assists the Board in meeting its oversight responsibilities concerning the Company's financial reporting, external audit functions and its risk management framework and compliance with related legal and regulatory requirements.

The Audit Committee's responsibilities for the external audit functions include:

- appointing, overseeing, and annually evaluating the External Auditor – including reviewing their independence, fitness and propriety, resourcing and qualifications;
- determining the compensation of the External Auditor;
- if appropriate, replacing the External Auditor; and
- approving certain non-audit services.

The Audit and Risk Committee regularly meets with the External Auditor without management being present. The Chair of the Audit and Risk Committee meets separately with the External Auditor and management.

The Chief Financial Officer is the executive responsible for assisting the Audit and Risk Committee Chair in connection with the administration and efficient operation of the Committee.

The minutes of the Audit and Risk Committee meetings are tabled at Board meetings, and the Committee Chair reports relevant matters of the Audit and Risk Committee to the Board at its next meeting.

The **Audit and Risk Committee Charter** is available on the Company's website.

3.4 People Committee

The People Committee assists the Board by reviewing and making recommendations to the Board on remuneration matters, including the structure, strategy and framework for executives' remuneration and incentives and review of the Company's Annual Remuneration Report to shareholders. This review includes:

- considering the short-term and long-term incentive outcomes for executives;
- reviewing changes in executives' salaries and at-risk remuneration incentives; and
- oversight of equity incentive plans, approved by shareholders.

The People Committee also plays an important role concerning the Company's people strategy and approach to inclusion and diversity. The People Committee's responsibilities for the oversight of inclusion and diversity include:

- reviewing and monitoring the effectiveness of the Company's policy and approach to inclusion and diversity;
- approving the measurable objectives for achieving diversity (including gender diversity) and inclusion; and
- reviewing the Company's inclusion and diversity objectives and monitoring progress towards achieving them.

The minutes of the People Committee meetings are tabled at Board meetings, and the Committee Chair reports relevant matters of the People Committee to the Board at its next meeting.

The **People Committee Charter** is available on the Company's website.

3.5 HSE and Sustainability Committee

The HSE and Sustainability Committee assists the Board in meeting its oversight responsibilities concerning the Company's workplace health, safety and the environment (**HSE**) and sustainability matters arising from the Company and its various operating business units' activities.

The HSE and Sustainability Committee's responsibilities for HSE include to:

- reviewing and recommend to the Board for approval of the Group's HSE strategy, including initiatives to minimise the Group's impact on the environment;
- reviewing and recommend to the Board for approval Group's HSE Policies;
- reviewing, at least annually, the adequacy and effectiveness of the Group's HSE systems and resourcing, including the process for identification, assessment, elimination, avoidance, and control of HSE risks; and
- reviewing and refer to the Audit & Risk Committee, material HSE risks and mitigation controls to manage those risks.

The HSE and Sustainability Committee also plays an important role in the Company's Economic, Social and Governance (**ESG**) and Sustainability activities, including to:

- reviewing and recommend the Group's public statements on sustainability targets;
- considering the reports provided by Management on the sustainability performance against GRI Standards;
- reports and investigations into significant environmental incidents with the potential to have a material impact on any Group business unit, including the timeliness of the response to the incident, remediation, and the status of corrective actions to prevent reoccurrence; and
- monitoring the Group's cultural heritage obligations and initiatives to promote indigenous affairs.

The minutes of the HSE and Sustainability Committee meetings are tabled at Board meetings, and the Committee Chair reports relevant matters of the HSE and Sustainability Committee to the Board at its next meeting.

The **HSE and Sustainability Committee Charter** is available on the Company's website.

3.6 Nominations Committee

The Nominations Committee assists the Board with all matters to do with the proper functioning of the Board, including in relation to its ongoing composition and overall Board operations.

The **Nominations Committee Charter** is available on the Company's website.

4. INTEGRITY IN CORPORATE REPORTING

The Company believes that accurate and timely corporate reporting underpins effective risk management and is key to executing the Company's strategy.

The Board is responsible for overseeing that appropriate monitoring and reporting mechanisms are in place. It has established the Audit and Risk Committee to assist in discharging this responsibility.

4.1 Governance Oversight of Corporate Reporting

The Audit and Risk Committee meets at least four times per year, including immediately before the release of the full and half-yearly financial statements. The Audit and Risk Committee has reviewed the integrity of the Company's financial statements for the financial year ended 30 June 2023 and is satisfied that the Company's financial report for FY23 complies with the applicable accounting standards and presents a true and fair view of the Company's financial condition and operational results.

All Audit and Risk Committee members have direct access to the External Auditor, Deloitte, and their appointed lead audit engagement partner. The lead audit engagement partner is invited to attend Audit and Risk Committee meetings, and all Committee papers are made available to Deloitte.

4.2 Independence of the External Auditor

The Company's External Auditor, Deloitte, was appointed by Directors on 15 October 2019. On 18 November 2021, the Company held its first Annual General Meeting, where Deloitte's appointment as the Company's External Auditor was approved by shareholders in accordance with *section 327B of the Corporations Act (Cth) 2001*.

The Audit and Risk Committee reviews the External Auditor's effectiveness, performance, and independence. If it becomes necessary to replace the External Auditor for performance or independence reasons, the Committee will formalise a procedure for selecting and appointing a new External Auditor.

The *Corporations Act (Cth) 2001* requires the External Auditor to make an annual independence declaration to the Board, declaring that the auditor has maintained its independence in accordance with the *Corporations Act (Cth) 2001* and the rules of professional accounting bodies. Deloitte has provided an independence declaration to the Board for the reporting period. Deloitte's independence declaration is contained in the Directors' Report in the Company's FY23 Annual Report.

Deloitte's practice is to rotate the lead audit engagement partner at least every five years. During the reporting period, Deloitte's Audit Partner, Tim Richards, was appointed as lead auditor for DDH1 Limited.

4.3 Attendance of the External Auditor at the AGM

Deloitte's lead audit engagement partner attends the Company's annual general meeting and is available to answer shareholders' questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted in relation to the preparation of the financial statements, and the independence of the auditor.

4.4 Restrictions on the Provision of Non-Audit Services by the External Auditor

The Company has procedures to monitor the independence of the External Auditor. The Company's Delegation of Authority - Group Standard regulates the provision of non-audit services by the External Auditor.

The provision of permissible non-audit services above a defined amount must be pre-approved by either the Audit and Risk Committee or the Chair of that Committee.

4.5 Financial and Corporate Reports

The Company is committed to providing clear, concise, and effective disclosure in its corporate reports.

Prior to approval of the Company's financial statements, the Board receives a written declaration, in accordance with *section 295A of the Corporations Act (Cth) 2001*, from the Chief Executive Officer and the Chief Financial Officer in relation to the Company and the Group's financial reporting processes.

The declaration received by the Board during the relevant reporting period state that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the Company and the Group's financial position and performance, and that the integrity of the financial statements is founded on a sound system of risk management and internal control, which is operating effectively.

For periodic corporate reports released to the market, which are not required to be audited or reviewed by the Company's External Auditor, the Company has a verification, review and approval process to ensure the integrity of the information disclosed to the market. The process involves the reports being reviewed, material statements reviewed for accuracy and the report subject to internal verification by the Company Secretaries, and an appropriate approval process involving the Managing Director & CEO, and by the Chairperson for disclosure of certain matters, which are within the Board's reserved powers or matters that are otherwise of significance to the Company.

5. ETHICAL CONDUCT AND RESPONSIBLE DECISION-MAKING

The Company is committed to conducting its business with integrity and in an open and accountable manner. The Board believes that lawful, ethical, and responsible business practices are essential to achieving sustainable long-term performance and creating shareholder value.

The Board recognises its role in setting the ethical tone and standards of the Company and its responsibility in monitoring and developing a corporate culture.

The Company has established the following policies or codes, which promote ethical and responsible business practices.

5.1 Company Values

The Company's core values are:

- *we value the safety and health of our employees*
- *we value, challenge and reward our people*
- *we put our customers at the centre of what we do*
- *we are committed to leadership in sustainability*
- *we drive excellent sustainable financial performance*

These values are the guiding principles that define the type of organisation the Company aspires to be and the standards and behaviours that the Company expects of its Directors, executives, and employees.

5.2 Code of Conduct

The Company has a Code of Conduct. Directors and employees are required to demonstrate the standards of behaviour required to promote responsible decision-making and ethical behaviour, which aligns with the Company's strategic objectives.

The Code of Conduct is supported by several Company policies that are reviewed regularly to ensure they reflect any changes in law and otherwise remain fit for purpose.

Through the People Committee, the Board is informed of any material breaches of the Code of Conduct or policies.

The **Code of Conduct** is available on the Company's website.

5.3 Sustainability and ESG

The Board is committed to the Company taking a sustainable approach to its operations and business practices to create the best long-term outcomes for its shareholders, employees, communities, customers, and other stakeholders.

The Board's HSE and Sustainability is responsible for overseeing the Company's ESG Framework and initiatives.

The Board has established an Environmental Policy, which encourages the business to take a proactive approach to its sustainability efforts in areas that matter to the business, including managing environmental and climate change impacts, minimising the Company's carbon footprint, and increasing the Company's attractiveness to investors, employees, and other stakeholders.

The **Environmental Policy** is available on the Company's website.

5.4 Health and Safety Policy

The Company prioritises a healthy and safe workplace for all employees, contractors, customers, and the community while seeking to minimise the impacts of injuries.

Health and Safety is, therefore, a critical part of the Company's business and decision-making. Further details on the range of strategies, systems, initiatives, and policies to manage health and safety for employees, contractors, and customers is set out in the Company's FY23 Annual Report.

Health and Safety is also a critical area of focus for the Board, with the Board regularly briefed on safety performance, strategies to improve safety performance and awareness, and employee and contractor physical and mental wellbeing.

The **Health and Safety Policy** is available on the Company's website.

5.5 Human Rights Policy and Modern Slavery

The Company is committed to the protection of fundamental human rights and freedoms, including eliminating all forms of modern slavery.

The Company's Human Rights Policy and Supplier Code of Conduct set out the Company's approach to managing human rights and modern slavery risks in its operations and supply chains.

During the reporting period, the Company issued its second Modern Slavery Statement for the year ended 30 June 2022, in accordance with *the Commonwealth Modern Slavery Act (Cth) 2018*.

The **Human Rights Policy, Supplier Code of Conduct** and **FY22 Modern Slavery Statement** are available on the Company's website.

5.6 Whistleblower Policy

The Company has established a Whistleblower Policy, which encourages anyone to report any concerns about actual or suspected wrongdoing and improper conduct and ensures confidentiality and protection is provided to those who do so.

The policy also sets out how the Company will respond to and investigate reports of misconduct and outlines the protections available to those who report under the policy.

A whistleblower can make a confidential disclosure under the Whistleblower Policy in a number of ways, including to a Whistleblower Protection Officer or anonymously to an external toll-free and online whistleblower reporting service via phone, email and web-based channels operated by third-party provider, Deloitte.

The Company maintains confidentiality of all whistleblower reports to the fullest extent possible and does not tolerate any detriment or form of reprisal against anyone who raises a genuine concern about actual or suspected misconduct.

Through the Audit and Risk Committee, the Board is informed of any material incidents reported under the policy.

The **Whistleblower Policy** is available on the Company's website.

5.7 Anti-Bribery and Anti-Corruption Policy

The Company has established an Anti-Bribery and Anti-Corruption Policy, which sets out the Company's zero tolerance for any bribery or corruption in its business dealings and operations. The policy includes prohibitions on:

- the giving or receiving of bribes in any form, including to public officials and all commercial relationships;
- the giving or receiving of gifts, entertainment and sponsored travel;
- offering anything of value to a public official in order;
 - to improperly influence in order to obtain any improper advantage of any kind; and
 - making a donation to improperly influence to obtain an advantage of any kind.

Through the Audit and Risk Committee, the Board is informed of any material incidents reported under the policy.

The **Anti-Bribery and Anti-Corruption Policy** is available on the Company's website.

5.8 Securities Trading Policy

The Company has established a Securities Trading Policy, which prohibits trading in DDH1 securities by all Directors, employees and contractors (and their immediate family

members and associates) who possess information that is not generally available and that could be reasonably expected to have a material, or significant, effect on the price or value, of an DDH1 securities.

The policy also specifically prohibits 'restricted persons' (including all Directors, executives, and nominated senior personnel) and their associates from trading in DDH1 securities during 'closed periods' as defined in the policy.

The Securities Trading Policy also:

- allows in exceptional circumstances, and with prior written clearance, trading during a closed period;
- prohibits Directors, executives, and employees (and their associates) from hedging interests that have been granted under any DDH1 equity incentive plan that is either unvested or subject to a holding lock; and
- prohibits Directors and restricted persons from using DDH1 securities in connection with a margin loan or similar financing arrangement, which may be subject to a margin call or loan-to-value ratio breach.

Through the Audit and Risk Committee, the Board is informed of any material breaches under the policy.

The **Securities Trading Policy** is available on the Company's website.

5.9 Inclusion and Diversity Policy

The Company has a diverse workforce in various geographic locations around Australia, which comprises employees from varied ethnic backgrounds, age groups and races across all genders.

The Company's Inclusion and Diversity Policy sets out the Company's approach to inclusion and diversity, which is underpinned by the principles that the work environment promotes equal opportunity and diversity, allows employees to reach their potential, and is free from discrimination, harassment, and bullying.

The Company does not discriminate based on gender, age, ethnicity, religion or cultural background. The Company ensures that all employees are provided with the same opportunities through open and honest communication, training and development opportunities.

The People Committee is responsible for (amongst other things) reviewing the Company's Inclusion and Diversity Policy and strategy, overseeing compliance with equal opportunity and anti-discrimination legislation, and ensuring that the Company is able to attract and retain an inclusive and diverse selection of employees.

The **Inclusion and Diversity Policy** is available on the Company's website.



Gender Diversity at Board, Management and Workforce Levels

Whilst the Board did not set any specific, measurable objectives for achieving gender diversity during the reporting period, the Company's approach to filling existing vacancies or new positions has been to apply general strategies which encourage diversity. This included recruiting from a diverse pool of candidates and identifying factors in recruitment and selection processes that encourage diversity.

Despite not setting any specific, measurable objectives for achieving gender diversity in the composition of the Board during the reporting period, the Board is pleased to note that 33.33% of the Company's Directors are female. The ASX Principles provide that the measurable objective for achieving gender diversity in board composition for entities in the S&P / ASX 300 Index should be to have not less than 30% of its Directors of each gender within a specified period.

The Company is a 'relevant employer' under the *Workplace Gender Equality Act 2012 (Cth)* and discloses its "Gender Equality Indicators" to the Workplace Gender Equality Agency (**WGEA**) annually. While the Company's Inclusion and Diversity Policy does not include a requirement to assess the Company's diversity against any specified gender objectives during the reporting period, the Company uses internal reports and the WGEA indicators to assess its progress in improving gender diversity.

The Company's **2022-2023 Report to the WGEA** is available on the WGEA website and the Company's website.

Indigenous Engagement

The Company promotes the involvement of Indigenous people in its operations. It is committed to offering Indigenous people meaningful and sustainable employment and supporting long-term careers with the Company.

6. RECOGNISE AND MANAGE RISK

6.1 Risk Responsibilities Between the Board and Management

The Board recognises that effective risk management is critical to maintaining safe operations, stable financial performance and the Company's reputation.

The Board is responsible for setting the Company's risk appetite. It is also responsible for satisfying itself, at least annually, that management has developed and implemented a sound system of risk management and internal control. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the Board.

Management is responsible for implementing the Board approved risk management framework and for managing the Company's operations within the risk appetite set by the Board. It is also responsible for identifying, managing, monitoring, mitigating, and reporting on material risks.

6.2 The Company's Approach to Risk Management

The Board and Management have developed a whole of enterprise risk management standard and Risk Management Policy.

The policy aims to support the Company's risk management standard that outlines the Company's commitment to sound risk management practices aligned to regulatory and shareholder requirements.

During the reporting period, the Board also developed a Board's risk appetite statement relating to the Company's material risk of the health, safety and wellbeing of the Company's workforce, the environment, community, reputational risks, project delivery, and legislative compliance breaches.

Work on developing the Company's risk management framework, standards, risk registers and reporting is ongoing. The objectives of the risk management framework will be to provide processes for the regular identification and assessment of key risks and controls (financial and non-financial) as well as strategies to appropriately manage material risks across the business.

The **Risk Management Policy** is available on the Company's website.



6.3 Audit and Risk Committee Oversight of Risk

The Board's Audit and Risk Committee have a mandate from the Board to provide risk management oversight. This includes responsibility for reviewing, at least annually, the effectiveness of the Company's risk management framework and internal control systems for the management of material business risks within the risk appetite set by the Board.

Details of the membership, charter and meetings of the Audit and Risk Committee are outlined in section 3.1 above.

6.4 Material Risks

The Company is exposed to a range of market, financial, operational, environmental, and socio-political risks that could have an adverse effect on the Company's future performance. The nature and potential impact of these risks can change over time and vary in the degree to the extent the Company can control them.

The Company's key business risks include, but are not limited to:

Material Risks

Access to rigs and equipment
Business interruptions
Concentration risk
Global pandemic and Infectious disease outbreaks
Customer demand and outlook for the minerals exploration and mining industry
Environmental compliance
Health, safety, and wellness of personnel
Increased competition from new and existing competitors
Inability to identify, execute and manage acquisitions and expansion plans
Key personnel, labour availability and cost of labour increases
Loss of customer contracts and levels of new work
Operational risks
Sustainability, climate change and significant weather events
Cybersecurity and data loss
Tender process risk

The risks outlined above reflect the key business risks that have the potential to impact the Company's operations and its financial performance if not managed effectively.

Further information on the Company's material business risks, including any material exposure to economic, environmental, and social sustainability risks and how these are managed, is set in the Director's Report in the Company's FY23 Annual Report and the Company's Prospectus dated 8 February 2021.

6.5 Internal Audit Function

For the reporting period, the Company did not have an internal audit function.

In the absence of a formal internal audit function, the Board relies on management's ongoing monitoring and reporting of material business risks at Board and Committee meetings.

The Audit and Risk Committee periodically review the need for an internal audit function and monitors the adequacy of existing internal controls.

7. COMMITMENT TO SHAREHOLDERS

7.1 Shareholder and Investor Engagement

The Company values and facilitates two-way dialogue with shareholders and investors and is committed to ensuring that shareholders have access to accurate, timely and effective information about the Company and its governance both through its website and other communication technologies.

The Managing Director & CEO is responsible for shareholder and investor relations activities with the assistance of the Chief Financial Officer. The Chairperson is responsible for engaging with shareholders on Board, governance and remuneration matters.

The Company has an active investor relations program to facilitate effective two-way communication with investors. This includes communicating through several channels and technologies to allow shareholders to participate in shareholder meetings and to have their enquiries heard.

The Company also hosts briefings for institutional investors and analysts to discuss information already released to the market via ASX and provide background information to assist analysts and institutions in understanding the Company's business.

Before giving any new and substantive investor or analyst presentations, the Company releases a copy of the presentation materials to ASX.

The Company aims to ensure that shareholders are provided with all information necessary to assess the Company's performance. The Company follows the principles of continuous disclosure to ensure all investors are fully informed on the Company's activities.

All market announcements are posted on the Company's website as soon as practicable after being released to the market.

7.2 Website

Ready access to information about the Company and all relevant corporate governance information is available via the Company's website at www.ddh1.com.au

The Company publishes its ASX announcements, annual and half-year results presentations, financial statements, investor presentations, media releases, key dates, dividends, and other communications material on the Company's website at www.ddh1.com.au/investors/

7.3 Continuous and Periodic Disclosure

The Company is committed to providing shareholders and the market with equal and timely access to material information concerning the Company in a factual, clear and balanced way.

The Company has adopted a **Continuous Disclosure Policy**, which sets out how it complies with its disclosure obligations under the *Corporations Act 2001 (Cth)* and the ASX Listing Rules.

The Board considers potential disclosure issues at each of its meetings.

The Managing Director & CEO and the Chief Financial Officer are responsible for overseeing and coordinating the disclosure of information to the media, analysts, brokers, and shareholders. The Chief Financial Officer or the Company Secretaries are responsible for communication with ASX.

The Managing Director & CEO is responsible for ensuring that all employees are aware of their obligation to bring price-sensitive matters to management's attention and safeguard corporate information confidentiality to avoid the need for premature disclosure.

All market-sensitive information is first notified to ASX and then promptly placed on the Company's website following receipt of confirmation from ASX. Before giving any new and substantive investor or analyst presentations, the Company releases a copy of the presentation materials to ASX.

Key periodic shareholder communications include the Company's Annual Report and its full-year and half-year financial results.

Copies of the final versions of all material ASX announcements are provided to the Board promptly after those announcements have been made.

The **Continuous Disclosure Policy** is available on the Company's website.

7.4 Electronic Communications

The Company also gives shareholders the option to receive communications from, and send communications to, the Company and its Share Registry, Computershare Limited (**Share Registry**), electronically.

The Company's Share Registry also allows shareholders to register to receive alerts on Company ASX Announcements.



7.5 Annual General Meetings

The Board regards the Company's Annual General Meeting (AGM) as an important opportunity to communicate with shareholders and encourages shareholders to attend the AGM and participate by exercising their voting rights and asking questions of the Board.

The Board also encourages shareholders to submit any questions about the performance of the Company so that these can be addressed before or at the AGM.

During the reporting period, the Company held its second AGM on 4 November 2022 in Perth, Western Australia. The AGM was held as a hybrid meeting, enabling shareholders to participate in-person and also via video webcast facilities. This improves access and participation for those who cannot attend in person.

All the Directors are expected to attend the shareholder meetings, subject to any public gathering restrictions that may be in place at the time.

All substantive resolutions at shareholder meetings are decided by a poll rather than a show of hands.

1.1 Dividends Payable to Shareholders

Declaration of any dividend is at the Board's discretion, which is subject to future business conditions, available profits, franking credits and the financial position of the Company.

The Company expects to target the payment of dividends which, on an annual aggregate basis, are in the range of 30% to 50% of NPATA. The payment of dividends is anticipated to be paid every six months, with an interim dividend in March and a final dividend in September of each calendar year. The actual dividend payout ratio is expected to vary between periods depending on various factors, including those outlined above.

ADDITIONAL INFORMATION

Company Directory

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Head Office - 21 Baile Road, Canning Vale, WA 6155
Telephone: +618 9435 170

General Enquiries

Website: www.ddh1.com.au
Email: investor.relations@ddh1.com.au

Whistleblower Services

DDH1 encourages anyone to report any concerns about actual or suspected wrongdoing and improper conduct and ensures confidentiality and protection is provided to those who do so. Disclosures may be made via our Whistleblower Service provider:

By Email: ddh1whistleblower@deloitte.com.au

Online: www.ddh1whistleblower.deloitte.com.au

Share Registrar

Computershare Investor Services Pty Limited manages the Company's share register.

Telephone
Australia: 1300 558 062
International: (+61 3) 9415 4631

Website: www.computershare.com.au



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