

## 2020 Corporate Governance Statement

The Board of Joyce Corporation Ltd (the Company) is committed to providing above average returns and dividends to its shareholders through strong partnerships with fast growing businesses. The Company is committed to fulfilling its governance obligations and responsibilities in the best interests of the Company and its stakeholders. This commitment is built on a foundation of high ethical standards and a professional corporate culture. This statement details the key aspects of the Company's governance framework and practices.

The Company's corporate governance framework complies with the Australian good corporate governance, as outlined in the [ASX Corporate Governance Council's Principles and Recommendations](#). The Company regularly reviews its governance framework and practices. Where the Company's corporate governance practices depart from a Recommendation, the Board has offered full disclosure and an explanation for the departure.

Further information about the Company's charters, policies and statements may be found at the Company's website at:

<http://joycecorp.com.au/index.php/investor-relations/corporate-announcements/corporate-governance/>

### 1. FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

- 1.1 Roles and Responsibility of the Board and Management;
- 1.2 Structure and Composition of the Board;
- 1.3 Director's Skills and Experience;
- 1.4 Board Succession Planning;
- 1.5 Appointment, Induction and training;
- 1.6 Remuneration; and
- 1.7 Company Secretary.

#### 1.1 Roles and responsibility of the Board and Management

The Company's Constitution provides that the business and affairs of the Company are to be managed by, or under the direction of, the Board. The Board Charter sets out the role, responsibilities, powers, duties and functions of the Board.

The Board is responsible for setting the overall strategy, governance and performance of the Company and is committed to the Joyce values of openness, integrity, professionalism and performance. In performing its role, the Board is committed to a high standard of corporate governance practice and fostering a culture of compliance.

The CEO is responsible for the day-to-day management of the Company and its businesses and works closely with Key Management Personnel (KMP) and senior executives.

## 1.2 Structure and composition of the Board

The Board currently comprises six directors, all of which are non-executive. The Board regularly reviews the independence of each non-executive director. The Board's assessment of independence and the criteria by which it determines the materiality of any facts, information or circumstances is formed by having regard to the ASX Principles, in particular Recommendation 2.3.

Those non-executive directors with shareholdings in the Company of less than 5% and who are not associated with any major shareholder are classified as independent.

As of the date of the 2020 Annual Report four of the six directors were considered to be independent, including the Chair of the Board.

At the date of the 2020 Annual Report:			
Name of director	Role	Term in office	Independence
Mike Gurry	Non-Executive Director	Sep 2008 to currently	Independent
	Chair	Nov 2018 to currently	Independent
Karen Gadsby	Non-Executive Director	Jul 2017 to currently	Independent
	Deputy Chair	May 2019 to currently	Independent
Dan Smetana	Non-Executive Director	Nov 1984 to currently	Not independent
Tim Hantke	Non-Executive Director	Sep 2007 to currently	Independent
Travis McKenzie	Non-Executive Director	Jul 2019 to currently	Not independent
Jeremy Kirkwood	Non-Executive Director	Jan 2020 to currently	Independent
During the 2020 financial year:			
Anthony Mankarios	Non-Executive Director	Jul 2019 to Nov 2019	Not independent

## 1.3 Director's Skills and Experience

The Board's objective is to have an appropriate mix of skills, expertise, diversity and experience on the Company's Board and Board Committees. The Board also aims to strike a balance between long serving directors with experience and knowledge of the Company's business history, and new directors who bring an external perspective and different insights. To maintain this balance the Board have appointed Jeremy Kirkwood to the Board effective 14<sup>th</sup> January 2020.

The Board is of the view that the current directors possess a broad mix of experience and skills across a number of industries and sectors. This mix of skills and experience is considered suffice to enable the Board to discharge its responsibilities and deliver the Company's strategy. Further information on the qualifications and experience of each director and their attendance at Board and Committee meetings is included in the Annual Report which can be accessed from the Company's website at: <http://joycecorp.com.au/index.php/investor-relations/corporate-announcements/reports/>

The Board consider the skills, experience and expertise listed below to be those necessary to discharge its responsibilities:

- CEO / Senior Executive level experience;
- ASX listed company experience;
- Financial and commercial acumen including capital management and banking;
- Broad Cross-Section of Industries and Sectors Experience;
- Strategy;
- Governance;
- Executive Performance and Remuneration;

- Health and Safety; and
- Risk management and Compliance.

The Board have assessed that the current members have skills which adequately cover each of these items. For specialised skills which are not represented on the Board, they are attained from management or external advisors.

#### **1.4 Board succession planning**

As part of the Nomination Committee's oversight of Board succession planning, it is responsible for identifying suitable candidates to fill Board vacancies as and when they arise, or to identify candidates to complement the existing Board, and make recommendations to the Board on their appointment. Where appropriate, external consultants are engaged to assist in searching for candidates.

Where a candidate is recommended by the Nomination Committee, the Board will assess that candidate against a range of criteria to ensure the candidate's skills augment those of the existing Board. The Company also undertakes appropriate checks before a candidate is recommended to the Board. If the criteria are met and the Board appoints the candidate as a director, the director will enter into a written contract with the Company. The director must then seek to have their appointment approved by shareholders at the next annual general meeting.

#### **1.5 Appointment, Induction and Training**

Before the Board appoints a new director or puts forward a candidate for election, the Board ensures that appropriate background checks are undertaken.

As part of the induction program, a new director is provided with an induction pack covering the Company's financial position, strategies, operations and risk management policies and meets with the Board Chair, the CEO, senior executives and other senior managers to gain valuable insights into relevant operational and corporate matters.

Ongoing director education is provided through regular management presentations on key business functions and activities and site visits to Company operations. Professional development and training programmes are available to Directors to enable them to develop and maintain their skills and knowledge. To ensure directors are informed on all material matters impacting the Company, board papers are prepared for each meeting. Further, third party professionals carry out specific training sessions with the Directors on current topics of the day.

#### **1.6 Remuneration**

Information regarding the Company's remuneration framework for the directors, KMP's and senior executives is set out in the Remuneration Report of the Annual Report. The Remuneration Report includes a summary of Company policies and practices for determining the nature and amount of remuneration and the relationship between those policies and Company performance.

Shareholders are invited to consider and approve each year the Remuneration Report at the Annual General Meeting.

#### **1.7 Company Secretary**

The Group Company Secretary supports the effective operation of the Board. All directors have access to the Group Company Secretary.

The Group Company Secretary is accountable to the Board through the Chair on all matters regarding the proper functioning of the Board. This includes assisting the Board and Committees members with meetings and directors’ duties, advising the Board on corporate governance matters, and acting as an interface between the Board and senior executives.

A detailed biography of the Group Company Secretary is set out in the Annual Report.

**1.8 Board and Management Performance Evaluation**

The Board ensures that evaluations are undertaken annually to assess the performance and effectiveness of the Board and Board Committees. The last performance evaluation was completed in May 2020. These evaluations form a key part of the Company’s continuous improvement program for governance.

The Chair of the Board conducts reviews of the CEO’s performance and the respective Chair of each divisional Board evaluates KMP and senior executive performance against relevant performance measures and reports to the Remuneration Committee on the outcome of these reviews. All KMP’s received at least one review in the year ended 30 June 2020.

The performance of the CEO is reviewed annually by the Chair of the Board. The latest review was completed in December 2019.

**2. BOARD COMMITTEES**

**2.1 Committees of the Board**

The Board has established an Audit & Risk Committee, a Nomination Committee, and a Remuneration Committee as standing Committees to assist with the discharge of its responsibilities.

These Committees review matters on behalf of the Board.

Details of the current membership and composition of each Committee are set out below. Details of attendance by members for each Committee are set out in the Director’s Report of the Company’s Annual Report. The roles and responsibilities of each Committee are set out in the respective Committee charter. These charters can be seen on our Company website at:

<http://joycecorp.com.au/index.php/investor-relations/corporate-announcements/corporate-governance/>

Committee	Members	Composition
<b>Audit &amp; Risk Committee</b>	Karen Gadsby (Chair) All other directors	<ul style="list-style-type: none"> <li>– Members who between them have accounting and financial expertise and a sufficient understanding of the industries in which the Company operates, to be able to discharge the Committee’s mandate effectively;</li> <li>– A majority of independent non-executive directors; and</li> <li>– Chaired by an independent director who is not the Chair of the Board.</li> </ul>

<b>Nomination Committee</b>	Tim Hantke – A majority of independent non-executive directors; and (Chair) – Chaired by an independent director. All other directors
<b>Remuneration Committee</b>	Tim Hantke – A majority of independent non-executive directors; and (Chair) – Chaired by an independent director. All other directors

### 3. RISK MANAGEMENT AND CORPORATE REPORTING

#### 3.1 Recognising and managing risk

The Company is committed to the identification, monitoring and management of material risks associated with its business activities.

The Board recognises that effective risk management is key to achieving and maintaining the Company’s operational and strategic objectives. The Company’s Core Values of openness, integrity, professional and performance encourages a highly ethical work culture.

The division of the key risk management functions are set out below.

Function	
<b>Board</b>	Review and oversee systems of risk management, internal control and compliance. Approve and monitor the process for identifying significant risks. Ensure that appropriate controls, monitoring and reporting mechanisms are in place.
<b>CEO and GFC</b>	To provide a declaration to the Board regarding the half and full-year financial statements. Assess and provide assurance to the Board that the Company’s risk management and internal control systems are operating effectively in all material respects.
<b>Audit &amp; Risk Committee</b>	Review and assess the Company’s processes which ensure the integrity of financial statements and reporting, and associated compliance with legal and regulatory standards, including Accounting Standards. Review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, the Company’s external auditors. Ensure adequate internal controls, assurance, policies and procedures exist to identify and manage business risk. Make recommendations to the Board.
<b>Management</b>	Designing, implementing and reporting on the adequacy of the Company’s risk management and internal control systems. Reporting to the Audit & Risk Committee on the effectiveness of the systems and processes in place to manage material business risks.

More information regarding the Company's risks, including any material exposure to economic, environmental and social sustainability risks and management are set out in the Annual Report.

### **3.2 Written Declarations**

At the end of each six monthly financial reporting period, the CEO and GFC provide a written declaration to the Board that, in their opinion, the Company's financial reports have been properly maintained in accordance with s295A of the Corporations Act and that the financial statements and the notes for the period comply with relevant accounting standards and give a true and fair view of the financial position and performance of the Company.

### **3.3 Integrity of Financial and Corporate Reporting**

At each meeting the Board receives reports on the financial performance of the Company, including key financial metrics and business results reported against budget. The Board also receive periodic updates on yearly forecasts.

### **3.4 External Auditor**

The Company's external auditor, BDO, was first appointed in 2013. BDO's policy is to rotate audit engagement partners on listed companies at least every five years. The most recent rotation was undertaken for the 2018 financial year.

Representatives of BDO are invited to various Audit & Risk Committee meetings and all Audit & Risk Committee papers are made available to BDO. The Audit & Risk Committee members have direct and un-fettered access to BDO representatives.

BDO attends each AGM and a representative is available to answer any questions from shareholders. BDO's is required to assess and make an independence declaration which is contained in the Annual Report.

### **3.5 Internal Audit**

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on the ongoing reporting and discussion with management on material business risks at Board and Committee meetings.

## **4. ETHICAL AND RESPONSIBLE BEHAVIOUR**

### **4.1 Code of Conduct**

The Code of Ethics and Conduct Policy (revised September 2016) outlines the values required by the Directors and Staff (employees and contractors) in accordance with the Company's Core Values of openness, integrity, professional and performance. The Board Charter (revised April 2020) outlines the code of conduct required by directors to ensure responsible decision making and ethical behaviour. The charter also sets out the obligations of each director to disclose conflicts of interest to the Board.

### **4.2 Securities Trading Policy**

The Company has established a Securities Trading Policy (reviewed August 2020). It outlines the restrictions, closed periods and processes required when directors, KMP's and senior executives wish to trade Company securities.

## 5. TIMELY DISCLOSURE AND RESPECTING SHAREHOLDERS

### 5.1 Continuous Disclosure

The Company has established a Continuous Disclosure Policy (revised February 2020). It outlines the requirements for immediate internal reporting of matters which could be market sensitive information; and includes processes to make that information public where appropriate. It also lays out how engagement with the investment community and other third-party stakeholders is managed to ensure engagement and confidentiality.

### 5.2 Investor Engagement

The Company has established an Investor Engagement Policy (revised April 2020). The Company recognises the importance of providing shareholders and prospective investors access to current, high quality information. To keep shareholders informed about the affairs of the Company and its important developments, the Company:

- Encourages its shareholders to attend the Annual General Meeting.
- Has a website ([www.joycecorp.com.au](http://www.joycecorp.com.au)) containing information about the Company, its activities, its Board, its performance, media releases, research reports and its key policies. The website also holds the financial and annual report of the Company and its share price.
- Places Australian Securities Exchange ("ASX") releases and other relevant information it has supplied to the ASX on its website.
- Invites shareholders to direct general comments and queries about the Company using the "Contact Us" page of its website.
- Uses the services of a share registry to assist in responding to shareholder queries.

## 6. DIVERSITY

The Board recognises its talented and diverse workforce as a key competitive advantage. It has developed a Diversity Policy (revised February 2020) and aims to foster diversity across the Company.

The Company understands and recognises the value in having a diverse workforce from which to draw on. The Company is committed to treating all staff equally irrespective of their gender, race, age, ethnicity, sexual orientation, disability or religious belief. The Board encourages a corporate culture where all staff feel equally welcome and are not discriminated against in the employment of staff (including the appointment of Directors) based on a potential candidate's gender, race, age, ethnicity, sexual orientation or disability.

The Company's diversity objectives are to:

- a) ensure recruitment from a diverse range of people based on merit;
- b) ensure all employees have equal access to opportunities in the workplace; talent management programs as part of the performance appraisal process are in place to support this;
- c) ensure there is equal pay for equal work; and
- d) continue to build environments that are accepting of diverse backgrounds and views.

Details of female representation across the Company are set out below:

Percentage of female employees	30 June 2017	30 June 2018	30 June 2019	30 June 2020
Board	0%	13%	20%	17%
Senior Managers	0%	5%	14%	28%
Administration	44%	60%	49%	52%
Operational	45%	46%	51%	53%
<b>Total workforce</b>	<b>45%</b>	<b>45%</b>	<b>49%</b>	<b>50%</b>

The Company has lodged all due compliance reports with the Workplace Gender Equality Agency. A copy of these reports can be obtained from the WGEA website.