

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

The Reject Shop Limited

ABN/ARN

33 006 122 676

Financial year ended:

3 July 2022

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

☐ These pages of our annual report:

☒ This URL on our website:

<https://www.rejectshop.com.au/about/policies-and-charters>

The Corporate Governance Statement is accurate and up to date as at 19 August 2021 and has been approved by the board.

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

Date: 23 August 2022

Name of authorised officer authorising lodgement: Michael Freier, Company Secretary

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

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

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

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

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

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

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

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>	
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"/>	
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"/>	
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"/>	

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

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(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</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either: <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:  <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>  and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement.</p>	
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(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.</li> </ul>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>	

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a> and the information referred to in paragraphs (4) and (5) is in our Corporate Governance Statement</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>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement</p> <p>and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement</p> <p>and the length of service of each director in our Corporate Governance Statement</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	
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"/>	
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"/>	
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our Corporate Governance Statement	
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>	
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>	

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>	
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"/>	
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"/>	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a>	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
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 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"/>	
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"/>	



## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a></p> <p>and the information referred to in paragraphs (4) and (5) 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"/></p> <p>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</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement</p>	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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 Annual Report  and, if we do, how we manage or intend to manage those risks in our Annual Report	

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a></p> <p>and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement</p>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" type="checkbox"/></p> <p>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 our Annual Report</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: Share Trading Policy available at: <a href="https://www.rejectshop.com.au/about/policies-and-charters">https://www.rejectshop.com.au/about/policies-and-charters</a></p>	

**THE REJECT SHOP**

# **Corporate Governance Statement**

2022

# Corporate Governance Statement

This Corporate Governance Statement provides information about the corporate governance of The Reject Shop Limited (Australian Business Number 33 006 122 676) with registered offices at 245 Racecourse Road, Kensington, Victoria, 3031 ("Company").

## ***Our purpose – We are here to help all Australians save money every day***

The Company's corporate governance framework and practices support its purpose and strategic objectives.

The Company's corporate governance framework and practices have been reviewed and, where necessary, updated to ensure consistency with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations, 4th edition) ("Corporate Governance Council").

A summary of the Company's corporate governance framework and practices is outlined below and was in place for the entire period, unless otherwise stated.

This statement was approved by the Company's Board and is current as at 22 August 2022. The statement applied during the financial period ending 3 July 2022 ("FY22") unless otherwise indicated.

A full copy of the Company's corporate governance policies and charters can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

## Principle 1: Lay solid foundations for management and oversight

1.1	Board charter outlining the responsibilities of the board and management	Comply
1.2	New appointments and re-election of directors	Comply
1.3	Written agreements with directors and senior executives setting out terms of engagement	Comply
1.4	Company secretary accountable to the board	Comply
1.5	Diversity policy	Comply
1.6	Periodically evaluate the performance of the board, its committees and directors	Comply
1.7	Periodically evaluate the performance of senior executives	Comply

## Principle 2: Structure the board to be effective and add value

2.1	Structure of the people and culture committee	Comply
2.2	Board skills matrix	Comply
2.3	Directors' independence	Comply
2.4	Majority of independent directors on the board	Comply
2.5	Independent chairman of the board, and separation of duties between chairman and CEO	Comply
2.6	Induction and ongoing education	Comply

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

3.1	Articulation and disclosure of values	Comply
3.2	Existence and disclosure of a code of conduct	Comply
3.3	Existence and disclosure of a whistleblowing policy	Comply
3.4	Existence and disclosure of an anti-bribery and corruption policy	Comply

## Principle 4: Safeguard the integrity of corporate reports

4.1	Structure of the the Audit and Risk committee	Comply
4.2	Assurances from the CEO and CFO	Comply
4.3	Verification of periodic corporate reports	Comply

## Principle 5: Make timely and balanced disclosure

5.1	Existence and disclosure of a continuous disclosure policy	Comply
5.2	Directors receive a copy of each material market announcement	Comply
5.3	New and substantive investor or analyst presentations to be released on ASX platform before presentation	Comply

**Principle 6: Respect the rights of security holders**

6.1	Provide relevant information to investors via website	Comply
6.2	Investor relations program that promotes two-way communication	Comply
6.3	Encourage shareholder participation at annual general meetings	Comply
6.4	Resolutions at a meeting decided by a poll	Comply
6.5	Shareholder option to send and receive communications electronically	Comply

**Principle 7: Recognise and manage risk**

7.1	Existence of a committee overseeing risk, consisting of majority independent directors	Comply
7.2	Regular reviews of the entity's risk management framework	Comply
7.3	Processes for evaluating and continually improving effectiveness of governance, risk management and internal control processes	Comply
7.4	Management of environmental and social sustainability risks	Comply

**Principle 8: Remunerate fairly and responsibly**

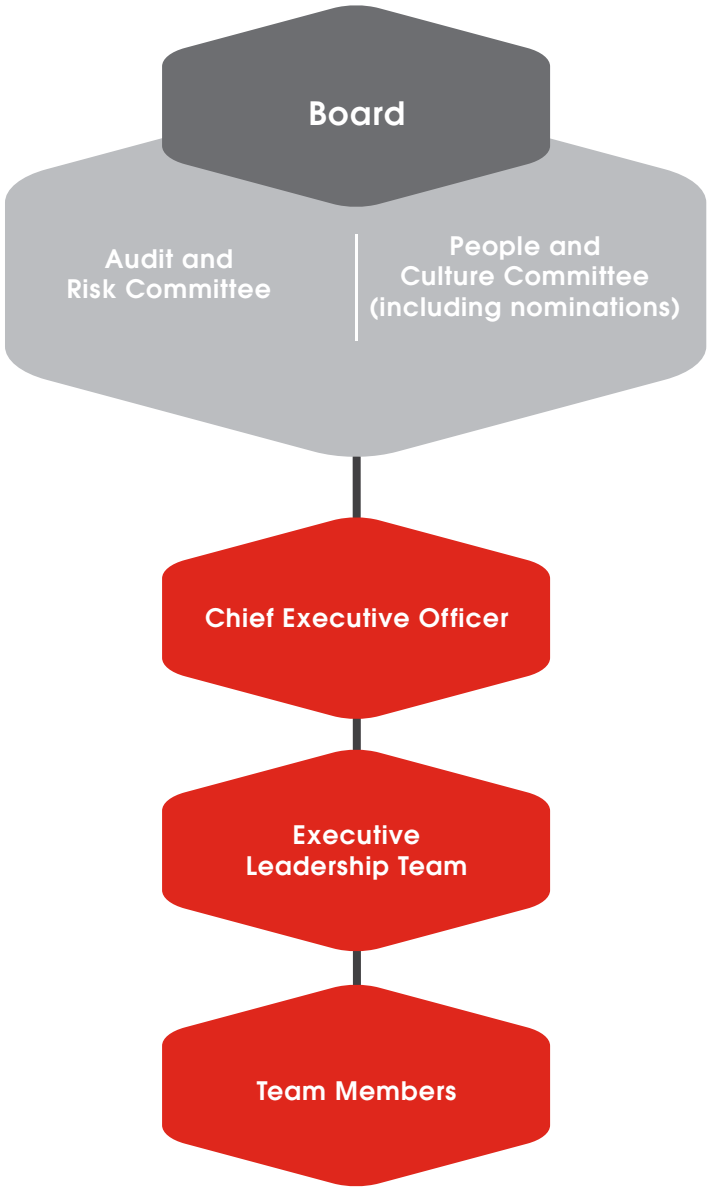
8.1	Existence of a remuneration committee, consisting of majority independent directors	Comply
8.2	Remuneration policies of executive and non-executive directors and senior executives	Comply
8.3	Equity-based remuneration scheme and associated hedging arrangements	Comply

**Principle 9: Additional recommendations that apply only in certain cases**

Recommendations 9.1 to 9.3 do not apply to the Company

# Corporate governance framework and practices

The Board operates in accordance with the Company's Constitution and Board Charter, which establishes the composition of the Board and its overall responsibilities.





The Company's Board consists of the following directors:

Name of director	Position	Appointed	Tenure (approx.)	Qualifications
Steven Fisher	Independent non-executive director	Since 14 June 2019	3 years and 2 months	Bachelor of Accounting, Chartered Accountant
	Chairman	Since 1 October 2019	2 years and 11 months	
David Grant	Independent non-executive director	Since 1 May 2020	2 years and 4 months	Bachelor of Commerce, Chartered Accountant and Graduate of the Australian Institute of Company Directors
Selina Lightfoot	Independent non-executive director	23 August 2018	Retired 20 October 2021	Bachelor of Arts, Bachelor of Laws, Graduate Diploma in Applied Finance & Investment and Graduate of the Australian Institute of Company Directors
Nicholas (Nick) Perkins	Non-executive director	Since 1 May 2020	2 years and 4 months	Bachelor of Arts, Bachelor of Laws and Graduate of the Australian Institute of Company Directors
Mark Ward	Independent non-executive director	Since 1 March 2022	6 months	Graduate of the Australian Institute of Company Directors
Margaret Zabel	Independent non-executive director	Since 4 June 2021	1 year and 3 months	Bachelor of Mathematics, Master of Business Administration and Graduate of the Australian Institute of Company Directors

## Executive Key Management Personnel

The Company's executive key management personnel currently consist of the following roles:

- a) Chief Executive Officer: Phillip (Phil) Bishop who commenced in that role on 11 July 2022; and
- b) Chief Financial Officer: Clinton Cahn who commenced in that role on 1 May 2020.

Andre Reich was formerly the Chief Executive Officer until he left the Company on 26 April 2022.

### Primary governance documents

Constitution, Board Charter, Audit and Risk Committee Charter, People & Culture Committee Charter, Code of Conduct and Diversity Policy.

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### 1.1 Board charter outlining the responsibilities of the board and management

The Board Charter outlines the purpose and role of the Company's Board. The Board Charter was reviewed and updated in March 2021 and it can be found in the 'Corporate Governance' section of the Company's website at [www.rejectshop.com.au](http://www.rejectshop.com.au)

The Board Charter sets out the key responsibilities of the Board, which are to:

- define the Company's purpose, approve the Company's strategic objectives, and lead the culture, values and behaviour necessary to achieve the purpose and strategic objectives;
- appoint the Chair and the Chief Executive Officer; and
- oversee the implementation of the strategic objectives, monitor performance and ensure the Company maintains a comprehensive corporate governance framework, including compliance with the *Corporations Act 2001* (Cth) ("Corporations Act") and the ASX Listing Rules.

In addition to the key responsibilities outlined above, the Board Charter contains a range of further Board responsibilities. These include:

- approving the appointment and replacement of other senior executives and the Company Secretary;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

- satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- whenever required, challenging management and holding it to account;
- satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite; and
- monitoring the effectiveness of the Company's governance policies.

To assist in meeting its responsibilities, the Board has established the Audit and Risk Committee and the People and Culture Committee, each with their own separate charter. Significant matters arising from these committee meetings are tabled at the subsequent Board meeting.

The Board delegates responsibility for the day-to-day management of the Company to the Chief Executive Officer and Executive Leadership Team through the Board Charter and delegation of authority.

The Chief Executive Officer, in consultation with the Executive Leadership Team, must manage the Company in a manner that achieves the strategic objectives while developing a culture that is consistent with the Company's values and the Code of Conduct.

### 1.2 New appointments and re-election of directors

The Company undertakes appropriate checks before appointing a director or senior executive or putting someone forward for election as a director. Appropriate checks usually include checks as to the person's character, experience, education, criminal record and bankruptcy history.

The notice of Annual General Meeting contains all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a director.

### 1.3 Written agreements with directors and senior executives setting out terms of engagement

All directors have entered into written agreements with the Company, including a deed of access to corporate information, and indemnity and insurance arrangements. The agreements set out the terms of appointment, expectations and responsibilities of the role (including confidentiality and conflicts of interest), remuneration, access to corporate resources and confidentiality requirements.

Each member of the Executive Leadership Team has a written employment contract setting out the key terms of their employment. These executives receive a mix of annual remuneration and 'at-risk' remuneration, which is comprised of short-term incentives and long-term incentives.

Further information about the Company's remuneration framework and the review of performance outcomes can be found on pages 21 to 31 of the FY22 Annual Report.

### 1.4 Company Secretary accountable to the board

The Board Charter outlines that the Board is supported by the Company Secretary who is accountable to the Board through the Chairman on all corporate governance matters. All directors have access to the Company Secretary.

The Company Secretary is responsible for:

- monitoring compliance with Board policy and procedures;
- coordinating the completion and despatch of the Board agenda and briefing materials;
- organising Board meetings and director attendance;
- providing a point of reference for all dealings between Board and the Executive Leadership Team;
- ensuring the Company complies with its requirements under the Corporations Act regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission; and
- ensuring that the Board receives copies of all ASX material market announcements promptly after they have been made.

The Company Secretary is Michael Freier (appointed to that role on 1 September 2019).

### 1.5 Diversity policy

The Company recognises the importance of diversity and values differences such as age, gender, ethnicity, religion, sexual orientation, disability and cultural background at all levels of the organisation. Accordingly, the Company has developed a Diversity Policy which focuses on respecting the unique differences that individuals can bring to the Company.

The Diversity Policy ensures the Company will continue to foster an environment that respects differences in age, gender, ethnicity, religion, sexual orientation, disability and cultural background. The Company will continue to ensure that all employment opportunities are filled and remunerated on the basis of merit and performance and not due to any known bias.

The Diversity Policy was reviewed and updated in January 2021.

The Company is committed to building a diverse workforce and is particularly focused on gender diversity and inclusivity. The following initiatives have been set to support this focus:

- communication of the Company's gender diversity statement to internal and external stakeholders;
- review the means by which the Company recruits, develops and retains female team members across the Company;
- continue to build and develop workplace employment flexibility options, including job sharing and/or part-time employment;
- conduct and report a gender audit to measure progress from baseline data and identify and review any specific areas of gender inequality; and
- report to the Board on a regular basis.

The following table represents the level of gender diversity within the Company and changes from the prior year:

Category	No. of Employees - Female FY22	No. of Employees - Total FY22	% Female	No. of Employees - Female FY21	No. of Employees - Total FY21	% Female
Board	1	5	20%	2	5	40%
Senior Executives <sup>(i)</sup>	3	10	30%	4	9	44%
Middle Management <sup>(ii)</sup>	14	25	56%	9	18	50%
Store Managers	250	388	64%	257	390	66%
All Team Members <sup>(iii)</sup>	2,534	3,573	71%	3,057	4,389	70%

(i) Senior Executives means the Chief Executive Officer and Senior Executive team members of the company.

(ii) Middle Management includes management roles that report to Senior team members.

(iii) All team members include anyone employed by The Reject Shop other than members of the Board.

In July 2022, the Company lodged its annual public report with the Workplace Gender Equality Agency. A copy of this report can be found on the Company's website at [www.rejectshop.com.au](http://www.rejectshop.com.au)

An annual review of gender diversity is conducted to ensure the business seeks a fair and balanced representation of men and women.

### 1.6 Periodically evaluate the performance of the board, its committees and directors

The Chairman, in conjunction with the People and Culture Committee, is responsible for monitoring, assessing and reviewing the Board's performance.

This year the Chairman has conducted a Board performance review by way of an internal assessment, incorporating both verbal and written feedback from directors, with feedback subsequently reported by the Chairman back to the Board.

### 1.7 Periodically evaluate the performance of senior executives

The People and Culture Committee periodically reviews the performance of the Chief Executive Officer against specific measurable indicators, which include:

- safety performance of the Company;
- financial performance of the Company;
- achievement of strategic objectives; and
- achievement of key performance indicators covering a range of safety, governance and operational targets.

The Chief Executive Officer of the Company is responsible for the review of the performance of members of the Executive Leadership Team against specific measurable and qualitative indicators, including safety related measures, upholding the Company's values and their respective key performance indicators. The evaluation is based on criteria that include the performance of the Company, the achieving of long-term strategic objectives and other objectives established at the beginning of each financial year. A performance evaluation was undertaken on the Executive Leadership Team in FY22. The Chairman and the Chief Executive Officer jointly reviewed the performance of the Company Secretary in FY22.

### Primary governance documents

Constitution, Board Charter and People and Culture Committee Charter.

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### 2.1 Structure of the People and Culture Committee

The People and Culture Committee Charter was reviewed and updated in June 2022.

#### Composition of the People and Culture Committee

The People and Culture Committee Charter outlines the composition and responsibilities of the People and Culture Committee, which includes responsibility for making recommendations to the Board in relation to the nomination, appointment and performance review process for non-executive directors.

Under the People and Culture Charter, and consistent with the Corporate Governance Council recommendations, the Committee consists of at least three members. The majority of Committee members must be non-executive directors, with the chairperson of the Committee being a non-executive director.

Each member of the People and Culture Committee must also be independent of the management of the Company and free from any relationship that, in the business judgement of the Board, would interfere with the exercise of their independent judgement as a member of the People and Culture Committee.

#### Membership and attendance

The People and Culture Committee currently comprises the following members:

- Margaret Zabel (appointed Chair on 1 November 2022)
- Steven Fisher
- David Grant
- Nicholas Perkins
- Mark Ward

Selina Lightfoot was formerly the Chair of the People and Culture Committee until she retired from the Board on 20 October 2022.

During FY22, the attendance of members of the People and Culture Committee was as follows:

Director	Number of meetings attended	Number of meetings held during the time director held office
Steven Fisher	3	3
David Grant	3	3
Selina Lightfoot	1	1
Nicholas Perkins	3	3
Mark Ward	2	2
Margaret Zabel	3	3

#### Role of the People and Culture Committee

The role of the People and Culture Committee is to review and make recommendations to the Board regarding:

- actions and policies that the Committee considers necessary to instil, or reinforce, the desired values and culture of the Company;
- the overall remuneration policy of the Company;
- the overall talent management framework of the Company;
- processes for the nomination and selection of non-executive directors;
- remuneration disclosure and reporting;
- skills, knowledge, experience, independence and diversity of the Board and, in light of this evaluation and having regard to the strategic direction of the Company, formalising a description of the skills and capabilities required for a particular appointment;
- performance criteria, and the process to review the contributions of non-executive directors and the Chief Executive Officer;
- succession planning for the Board and senior executives, in particular the Chief Executive Officer;
- re-election of non-executive directors, retirements and terms of office;
- the independence of non-executive directors; and
- induction programs and continuing professional development for non-executive directors.

The Board and the People and Culture Committee reviewed the time required from a non-executive director and whether directors were meeting that requirement.

## 2.2 Board Skills Matrix

To assist in identifying areas of focus and maintaining an appropriate and diverse mix of skills, the Board has developed a 'Board Skills and Experience Matrix' which is represented in the table below. The Board benefits from the combination of directors' individual skills, experience and expertise in the areas identified below:

<b>Core Business Skills and Knowledge</b>	
Strategic expertise	● ● ● ● ●
Financial literacy	● ● ● ● ●
Relevant legal knowledge	● ○ ○ ○ ○
Managing risk	● ● ● ● ○
Managing people	● ● ● ● ●
Achieving change	● ● ● ● ○
Financial markets experience	● ● ● ○ ○
<b>Relevant industry knowledge</b>	
Retail operations	● ● ● ○ ○
Merchandising	● ● ○
Supply chain	● ● ○ ○ ○
Property / store development / leasing	● ○ ○ ○ ○
E-commerce	● ○ ○ ○
<b>Leadership experience</b>	
CEO/CFO	● ● ● ● ●
ASX Director	● ● ○ ○ ○
<b>Relevant corporate experience:</b>	
Accounting	● ● ○ ○ ○
Marketing/ branding/ customer experience	● ● ● ○ ○
Sales	● ● ● ● ○
Customer service	● ● ● ● ○
Compliance	● ● ● ● ○
Governance	● ● ● ● ○
Human resources	● ● ● ● ○
Workplace health and safety	● ● ● ● ○
Information technology	● ● ● ● ○
Mergers & Acquisitions	● ● ● ● ○
Project management	● ● ● ●

● Directors with strong capability

○ Directors with moderate capability

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

The details of the qualifications, skills, experience, expertise and special responsibilities of each current director are contained on pages 6 to 7 of the FY22 Annual Report.

## 2.3 Directors' Independence

### *Composition of the Board*

Under the Company's Constitution and the Board Charter, the following criteria must always be met:

- the Board must be comprised of at least three directors;
- the Board must be comprised of a majority of independent directors;
- the Chairman must be an independent director; and
- the Managing Director (if one has been appointed) and the Chairman are separate roles, undertaken by separate people.

There are currently five non-executive directors.

Each non-executive director is individually assessed, on an annual basis, for independence based on the following criteria:

- they must not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- they have not, within the last three years, been employed in an executive capacity by the Company, or been a director after ceasing to hold any such employment;
- they have not, within the last three years, been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with a service provider;
- they must not be a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- they must have no material contractual relationship with the Company or another group member other than as a director of the Company;
- they have not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company; and
- they must be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company.

Materiality is assessed on both qualitative and quantitative bases.

In addition, the commentary accompanying recommendation 2.3 of the Corporate Governance Council's recommendations and principles states that, where a director falls within one or more of the examples given in box 2.3, the board should rule the director not to be independent unless it is clear that it is not material and will not interfere with the directors' independent judgement and capacity to act in the best interests of the Company.

The Board, having regard to the above comments and criteria, determined that four directors are assessed as independent.

Steven Fisher and Nick Perkins have each been nominated and appointed, under a nominee director protocol agreed with Allensford Pty Ltd in its capacity as trustee for the Allensford Unit Trust ("Allensford"), a substantial shareholder that is ultimately controlled by Kin Group Pty Ltd ("Kin Group"). The protocol sets out the agreed approach to the appointment of two nominee directors, the management of potential and actual conflicts of interest, including information sharing, and dealing in shares of the Company.

During FY22, Allensford transferred all of the shares it holds in the Company to Bennamon Pty Ltd ("Bennamon"), and Bennamon is also ultimately controlled by Kin Group. The Company agreed to a new nominee director protocol with Bennamon on substantially the same terms as the protocol with Allensford.

The Board has considered Steven Fisher's independence in light of the criteria above and satisfied itself that Steven Fisher is not associated with Allensford, Bennamon or Kin Group. The Board has determined that Steven Fisher is independent and that his nomination by a substantial shareholder does not materially interfere with his capacity to bring an independent judgement to bear on issues before the Board.

Nick Perkins is not considered independent by virtue of his employment with Kin Group. Nick Perkins has agreed to comply with the terms of the nominee director protocol.

The directors considered as independent are as follows:

- Steven Fisher
- David Grant
- Mark Ward
- Margaret Zabel

Details of each director's experience is contained on pages 6 to 7 of the FY22 Annual Report.

## 2.4 Majority of independent directors on the Board

As indicated above, four of the five non-executive directors are considered independent.

## 2.5 Independent chairman of the Board, and separation of duties between chairman and CEO

The Chairman is elected from the independent non-executive directors and will not be the Chief Executive Officer.

The responsibilities of the Chairman are set out in the Board Charter and consist of the following:

- leadership of the Board;
- chair Board meetings and shareholder meetings;
- efficient organisation and conduct of the Board's function;
- briefing all directors in relation to issues arising at Board meetings;
- facilitating effective contribution by all directors;
- overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- promoting constructive and respectful relations between Board members and between the Board and the Executive Leadership Team;
- reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- monitoring Board performance.

Steven Fisher is the Chairman (appointed 1 October 2019).

## 2.6 Induction and ongoing education

All new directors of the Company are provided with an induction tailored to their existing skills, knowledge and experience with a view to assisting them to discharge their responsibilities effectively and to add value.

If a director is not familiar with the legal framework that governs the Company, the induction program will include training on their legal duties and responsibilities as a director under the key legislation governing the Company and the listing rules (including ASX's continuous and periodic reporting requirements).

If a director does not have accounting skills or knowledge, the induction program will include training on key accounting matters and on the responsibilities of directors in relation to the Company's financial statements.

During FY22, the Board received periodic briefings (written and oral) on material developments in laws, regulations and accounting standards relevant to the Company.



### Primary governance documents

Board Charter, Code of Conduct, Diversity Policy, Anti-Bribery and Corruption Policy, Whistleblowing Policy.

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### 3.1 Articulation and disclosure of values

The Board Charter confirms that the Board will set the tone for the Company's culture, values and behaviour through approving relevant policies, including the Code of Conduct.

The Board regards the safety and wellbeing of the Company's team members as of paramount importance. The Board will monitor the culture and safety performance of the Company.

The Code of Conduct sets out the Company's values as follows:

### 3.2 Existence and disclosure of a code of conduct

In January 2021, the Company reviewed and updated its Code of Conduct. The Code of Conduct forms the basis for a shared view of the Company, its purpose, ethical standards and the forms of acceptable behaviour by everyone at the Company.

After approval by the Board, the Code of Conduct has been adopted by all members of the Executive Leadership Team. The Code of Conduct encourages all team members to report any breaches of the Code to the Executive Leadership Team or the People and Culture team.

Any material breaches of the Code of Conduct are reported to the Board.

## HOW WE DO THINGS AROUND HERE



### OUR CUSTOMERS ARE AT THE HEART OF EVERYTHING WE DO.

- We put our customers first and take pride in serving them
- We create better experiences together that helps our customers save money
- We build value for our community and our shareholders
- We care and provide a safe environment for everyone



### WE ACHIEVE TOGETHER AND ACT WITH INTEGRITY.

- Our people are our competitive advantage and our most important asset
- We invest in each other to learn and grow, in a friendly, inclusive and fun environment
- We demonstrate honesty, transparency and respect in everything we do
- We celebrate success and recognise the contribution of others
- We understand our role in bringing high energy and a can do attitude



### WE KEEP COSTS LOW AND KEEP THINGS SIMPLE.

- We apply a commercial mindset and think end to end in our solutions to maximise profit
- We constantly challenge ourselves to do more with less without compromising on quality
- We obtain the lowest cost to deliver the lowest prices to our customers
- We are a low cost operator, everything we do needs to be simple and efficient
- We understand how every dollar counts so we can continue to grow our offer



### WE DO WHAT WE SAY AND DO IT WITH CONFIDENCE.

- We achieve our goals and deliver our results
- We hold ourselves and each other to account
- We rise above setbacks quickly, openly admit mistakes and always look for a better way
- We challenge the status quo and move with pace
- We listen before we act

THE REJECT SHOP

### 3.3 Existence and disclosure of a whistleblowing policy

The Board has approved the Whistleblowing Policy which is intended to assist with the development of a culture of 'speaking up' when things are not quite how they should be.

Whistleblowing is the disclosure of information which relates to actual or suspected wrongdoing or misconduct (generally a breach of the law or policy, or unethical behaviour) for example, but not limited to, insider trading, theft, fraud and risk to the health and safety of team members.

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**SPEAK  
UP**

Have you observed any wrongdoing or experienced any **misconduct** by a team member, supplier, contractor or sub-contractor?

Call **1800 514 944** or email [speakup@stopline.com.au](mailto:speakup@stopline.com.au) to speak up and **anonymously report a breach** of law, internal policy or unethical behaviour.

To review the full policy, visit [rejectshop.stoplinereport.com/](http://rejectshop.stoplinereport.com/)

### 3.4 Existence and disclosure of an anti-bribery and corruption policy

In December 2020, the Board approved the Anti-Bribery and Corruption Policy, which is part of the Company's risk management framework. The Anti-Bribery and Corruption Policy confirms that the Company will not tolerate bribery or other types of corrupt conduct of any kind.

The Company acknowledges that bribery or other corrupt conduct can adversely affect the trust and confidence of, and cause financial and other harm to, the community. It can also result in serious civil and criminal penalties (including financial penalties and imprisonment) and cause reputational damage to all involved.

The Anti-Bribery and Corruption Policy is intended to assist the Company to prevent bribery or other corrupt conduct from occurring.

The Board is informed of any breach of the Anti-Bribery and Corruption Policy.

### Primary governance documents

Board Charter and Audit and Risk Committee Charter

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

#### 4.1 Structure of the Audit and Risk Committee

The Board has delegated to the Audit and Risk Committee the responsibility for overseeing the implementation of certain policies and procedures aimed at ensuring that the Company conducts its operations in a manner that manages risk to protect its people, its customers, the environment, Company assets and reputation as well as to realise business opportunities.

The Audit and Risk Committee operates under the Audit and Risk Committee Charter which outlines the composition and responsibilities of the Audit and Risk Committee.

The Audit and Risk Committee Charter was reviewed and updated in December 2020.

#### Composition of the Audit and Risk Committee

The Audit and Risk Committee Charter provides that the Audit and Risk Committee should consist of at least three members, all of whom are non-executive directors and the majority being independent directors. The chairperson must be an independent director and not the Chairman of the Board. In addition, the members of the Audit and Risk Committee must have a working familiarity with basic finance and accounting practices, and at least one member of the Audit and Risk Committee must have accounting or related financial management expertise.

#### Membership and attendance

The Audit and Risk Committee currently comprises the following members:

- Steven Fisher
- David Grant (appointed Chair on 1 June 2020)
- Nicholas Perkins
- Mark Ward
- Margaret Zabel

Selina Lightfoot was formerly a member of the Audit and Risk Committee until she retired from the Board on 20 October 2022.

During FY22, the attendance of members of the Audit and Risk Committee was as follows:

Director	Number of meetings attended	Number of meetings held during the time director held office
David Grant	4	4
Steven Fisher	4	4
Selina Lightfoot	1	1
Nicholas Perkins	4	4
Mark Ward	1	1
Margaret Zabel	4	4

#### Role of the Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board in:

- overseeing the reliability and integrity of financial and asset management;
- ensuring compliance with the Company's accounting policies, financial reporting and disclosure practices;
- monitoring internal controls including financial systems integrity and risk management; and
- maintaining the relationship with, and reviewing the work of, external auditors.

#### Responsibilities of the Audit and Risk Committee

- reviewing the integrity of accounting principles adopted by management in the presentation of financial reports;
- regularly reviewing, assessing and updating internal controls, risk management and regulatory compliance;
- reviewing, monitoring and assessing related party transactions; and
- monitoring the effectiveness and independence of the external auditor.

#### Role of the External Auditor

PricewaterhouseCoopers was appointed auditor effective from 2 July 2001 and provides an annual declaration of their independence to the Audit and Risk Committee. Whilst not a member of the Audit and Risk Committee, relevant representatives of PricewaterhouseCoopers are invited to attend meetings.

In addition, PricewaterhouseCoopers will attend the Annual General Meeting to answer shareholder questions relating to the conduct of their audit.

#### 4.2 Assurances from the CEO and CFO

Prior to approval of the financial statements for each of the full year and half year reporting periods, the Board receives a declaration from each of the Chief Executive Officer and the Chief Financial Officer in relation to the Company's financial reporting processes.

The declaration confirms that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Consistent with the above obligation, and as also contained in section 295A of the Corporations Act, the Chief Executive Officer and the Chief Financial Officer have made the necessary certifications to the Board for FY22.

#### 4.3 Verification of periodic corporate reports

The Company's external auditor is PricewaterhouseCoopers.

The external auditor audits, or in the case of the half-year – reviews, the Company's financial reports in accordance with accounting standards.

Senior executives and other relevant team members verify other periodic corporate reports. The verification processes involve a review and checking of statements, information and data.

All documents released to the market are subject to final sign-off and approval by relevant senior executives and, as required, the Board prior to release.

# Principle 5:

## Make timely and balanced disclosure

### **Primary governance documents**

Continuous Disclosure Policy

A copy of this document can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### **5.1 Existence and disclosure of a continuous disclosure policy**

The Company has a Continuous Disclosure Policy which was reviewed and updated in April 2021. The Policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the policy.

The Company is committed to making timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities (referred to as “market sensitive information”). The Continuous Disclosure Policy establishes the framework by which the Company will satisfy its continuous disclosure obligations.

The Continuous Disclosure Policy requires all directors and team members of the Company to:

- immediately inform the disclosure officer of any potentially market sensitive information, or the emergence of a false market in the Company’s securities;
- immediately inform the disclosure officer of any situations where information that has been lodged with the Australian Securities Exchange (“ASX”) is or has become incorrect, false, misleading or deceptive;
- treat all sensitive, non-public information about the Company as confidential and protect that information, including by limiting access, ensuring that anyone receiving confidential information is bound by obligations of confidentiality and establishing appropriate procedures for the protection of financial information;
- not use confidential information in a way that may injure or cause loss to the Company, or to gain a personal advantage; and
- not speak publicly about the Company unless authorised under the policy to do so.

The Board has appointed the Company Secretary as the disclosure officer.

### **5.2 Directors receive a copy of each material market announcement**

The Board (or a sub-committee of the Board) approves all material ASX announcements prior to release to the market. These announcements are sent to the Board promptly after they have been made.

### **5.3 New and substantive investor or analyst presentations**

If the Company gives a new and substantive investor or analyst presentation, the Company will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

In addition, the Company’s authorised spokesperson may periodically speak with the media, analysts and fund managers. If such discussions occur, comments are restricted to information publicly disclosed by the Company and other information in the public domain. No market sensitive information is to be disclosed during any such discussion.

# Principle 6:

## Respect the rights of security holders

### Primary governance documents

Continuous Disclosure Policy and Shareholder Communication Policy

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### 6.1 Provide relevant information to investors via website

The Company is committed to each shareholder's right to receive equal access to timely, full, accurate and clear information relevant to their investment.

The Company's website ([www.rejectshop.com.au](http://www.rejectshop.com.au)) contains a variety of information about the Company as updated from time to time, including for example:

- all material disclosures to the ASX;
- detail about the Board and senior management;
- financial and annual reports;
- presentations, press releases and other announcements;
- notice of the Annual General Meeting and related materials; and
- corporate governance documentation (eg. constitution, committee charters and policies).

### 6.2 Investor relations program that promotes two-way communication

The Company has developed various channels to communicate effectively and efficiently with shareholders and make it easier for shareholders to communicate with the Company.

The Company's investor relations program is tailored to meeting the particular circumstances of shareholders, media, research analysts and fund managers.

The Company actively engages with shareholders at the Company's Annual General Meeting.

The Company generally organises an investor conference call after the release of key financial information, which typically occurs following the release of each of the half-year and full-year results.

The Company may periodically speak with the media, research analysts, investors and prospective investors.

### 6.3 Encourage shareholder participation at annual general meetings

The Shareholder Communication Policy notes that the Annual General Meeting provides all shareholders with the opportunity to engage with the Company's Board, key members of the Executive Leadership Team and the external auditor, and to participate in the affairs of the Company by asking questions and casting votes.

All shareholders are encouraged to attend the Annual General Meeting. The Annual General Meeting will be held in a manner that provides an opportunity for shareholders to participate.

Shareholders who cannot attend the Annual General Meeting may cast their votes and ask questions of the Company as outlined in the notice of meeting. The notice of meeting and related documents will be on the Company's website and sent to shareholders by the Company's share registrar, Link Market Services Limited, using each shareholder's preferred method of communication.

### 6.4 Resolutions at a meeting decided by a poll

All resolutions at the Annual General Meeting will be decided by way of a poll.

### 6.5 Shareholder option to send and receive communications electronically

The Company's share registrar is Link Market Services Limited.

Link Market Services Limited will assist all shareholders to access information about their securities and receive communication from the Company. The Company encourages shareholders to elect to receive communication from the Company electronically.

# Principle 7: Recognise and manage risk

## **Primary governance documents**

Board Charter and Audit and Risk Committee Charter

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### **7.1 Existence of a committee overseeing risk, consisting of majority independent directors**

The Company has established an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects the Executive Leadership Team to operate. The Company's approach to recognising and managing risk has been outlined in the comments under Principle 4.

### **7.2 Regular reviews of the entity's risk management framework**

During FY22, the Audit and Risk Committee regularly reviewed the Company's risk management framework and satisfied itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

### **7.3 Processes for evaluating and continually improving effectiveness of governance, risk management and internal control processes**

The Company does not have an internal audit function. However, risk identification and management are a key focus of the Executive Leadership Team. Accordingly, the Executive Leadership Team has designed and implemented a risk management and internal control system to manage the Company's material risks. This includes a comprehensive analysis of the material risks which is prepared for review by the Audit and Risk Committee.

In addition, the Company's Loss Prevention and Quality Assurance functions provide ongoing assurance to the Audit & Risk Committee and management that established procedures and requirements are being met.

### **7.4 Management of environmental and social sustainability risks**

The Company is committed to conducting business in an environmentally responsible and ethical manner. The Company's approach to environmental and social sustainability is detailed on page 11 of the FY22 Annual Report.

# Principle 8:

## Remunerate fairly and responsibly

### **Primary governance documents**

People and Culture Committee Charter and Share Trading Policy

Copies of these documents can be found at <https://www.rejectshop.com.au/about/policies-and-charters>

### **8.1 Existence of a remuneration committee, consisting of majority independent directors**

In addition to the comments made in respect to recommendation 2.1, the People and Culture Committee reviews and makes recommendations to the Board regarding:

- the remuneration and appointment of key management personnel, including the Chief Executive Officer, and non-executive directors;
- policies for remuneration and compensation programs of the Company; and
- all equity-based compensation plans.

To adequately fulfil its role, the People and Culture Committee obtains and considers all relevant advice and information including industry trends in remuneration policy, market rates for the positions of Chief Executive Officer, members of the Executive Leadership Team and non-executive directors, and movements in general wage rates.

Information regarding director and key management personnel remuneration is provided in the Directors' Report and on pages 21 to 31 of the FY22 Annual Report.

### **8.2 Remuneration policies of executive and non-executive directors and senior executives**

The Company's approach to remuneration is detailed in the Directors' Report and on pages 21 to 31 of the FY22 Annual Report.

### **8.3 Equity-based remuneration scheme and associated hedging arrangements**

The Company's Share Trading Policy provides designated team members (i.e. those individuals based in the Company's Store Support Centre and such other persons as the Company Secretary nominates) are not permitted to enter into transactions involving products associated with the Company's securities which operate to limit the economic risk of their security holding in the Company (e.g. hedging arrangements).

The Company's directors are subject to a minimum shareholding requirement. More information is included in the Directors' Report and on pages 21 to 31 of the FY22 Annual Report.



# Principle 9:

## Additional recommendations that apply only in certain cases

Recommendations 9.1 to 9.3 do not apply to the Company.

### Questions, queries or comments

If there are any questions, queries or comments about this statement, please feel free to contact the Company Secretary via email ([companysecretary@rejectshop.com.au](mailto:companysecretary@rejectshop.com.au)) or post to:

Company Secretary  
The Reject Shop Limited  
245 Racecourse Road  
KENSINGTON VIC 3031