

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

**Bapcor Limited**

ABN/ARBN

**80 153 199 912**

Financial year ended:

**30 June 2023**

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.bapcor.com.au/governance>

The Corporate Governance Statement is accurate and up to date as at 18 September 2023 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: 18 September 2023

Name of authorised officer authorising lodgement: George Sakoufakis, 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 <b>NOT</b> 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.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<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 <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>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&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"/> and we have disclosed a copy of our diversity policy at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a></p> <p>and we have disclosed the information referred to in paragraph (c) in our Annual Report and Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>in our Corporate Governance Statement</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 <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 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"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a></p> <p>and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix at: in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: in our Corporate Governance Statement  and, where applicable, the information referred to in paragraph (b) at: in our Corporate Governance Statement  and the length of service of each director at: in of our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <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 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 at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a> AND in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <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 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"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a> and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement, and in our Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out 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 <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 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.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<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.bapcor.com.au">https://www.bapcor.com.au</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: in our Corporate Governance Statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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 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"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a> and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out 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"/> and we have disclosed how our internal audit function is structured and what role it performs at: in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out 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 at: in our Corporate Governance Statement.  and, if we do, how we manage or intend to manage those risks at: in our Corporate Governance Statement and our Annual Report.	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <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 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"/> and we have disclosed a copy of the charter of the committee at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a> and the information referred to in paragraphs (4) and (5) at: in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: in our Corporate Governance Statement, our Annual Report, and at <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a>.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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"/> and we have disclosed our policy on this issue or a summary of it at: <a href="https://www.bapcor.com.au/governance">https://www.bapcor.com.au/governance</a> and in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable





2023 Corporate  
Governance Statement



**PERFORMING AND  
TRANSFORMING  
WITH PURPOSE**



# CONTENTS

Approach to Corporate Governance	01
2023 Governance Highlights	02
Role of the Board	03
Performance Evaluation and Remuneration	10
Remuneration	11
Risk Framework	12
Governance Codes and Policies	14
Shareholder Communication	17



# APPROACH TO CORPORATE GOVERNANCE

The Board and management of Bapcor Limited (**Bapcor/the Company**) are fully committed to maintaining and enhancing corporate governance so that it continues to contribute to the delivery of Bapcor's key strategic objectives.

Whilst the Board is responsible for establishing the corporate governance framework of Bapcor, we believe good governance is the collective responsibility of all our team members. We believe that excellence in governance is more than just compliance with the law, is essential for the long-term sustainability of our business, and is one of our key focus areas and a measure of success for the organisation.

Our governance framework supports our team members in delivering our strategy, and provides an integral role in effective, responsible and sustainable decision making and business conduct. The Code of Conduct and Bapcor's other corporate governance policies reinforce the importance of our Values: *We do the right thing; We are in it together; We give a damn; and We get it done*. Our Values are at the centre of everything we do and guide our behaviours, interactions and decisions each and every day in carrying out our responsibilities to all stakeholders.

This Corporate Governance Statement outlines the key features of Bapcor's governance framework and discloses the extent to which Bapcor has followed the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**).

During the FY23 reporting period, the Company's corporate governance practices have complied with all relevant ASX Recommendations. The Company regularly reviews its governance practices and corporate governance policies to reflect the growth and strategy of the Company, current legislation and best practice.

Bapcor's Corporate Governance Statement is accurate and current as at 18 September 2023 and has been approved by the Board of Directors. The Corporate Governance Statement can be found on the Governance section of our website at <https://www.bapcor.com.au/governance> along with the ASX Appendix 4G – a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement, the 2023 Annual Report (**Annual Report**) and the Bapcor website.

In accordance with the ASX Recommendations, the Company's policies and charters referred to in this statement are also available on the Governance page of our website at <https://www.bapcor.com.au/governance> (the **Website**).





## 2023 GOVERNANCE HIGHLIGHTS

Board renewal continued at Bapcor, and throughout FY23 there have been a number of changes that have taken place. Noel Meehan was appointed to the Board as Managing Director and Chief Executive Officer ('**MD & CEO**') effective 1 September 2022, following his appointment as CEO on 8 February 2022. He has secured the engagement and alignment of existing and new executives at Bapcor, and his leadership and establishing a clear vision and strategic direction will take Bapcor forward into the next phase of transformation, growth and optimisation. Therese Ryan and Jennifer Macdonald retired as Independent Non-Executive Directors, effective 30 September 2022 and 19 October 2022, respectively. Brad Soller was appointed to the Board on 1 November 2022, bringing significant financial, capital market and business experience. Additionally, Kathryn Spargo was appointed to the Board on 1 March 2023, bringing broad business experience as an experienced company director in a range of relevant industries, and Rebecca Dee-Bradbury was appointed to the Board on 1 September 2023, bringing significant experience in leading organisational transformation, integration and innovation.

Board and CEO succession planning has been implemented to ensure appropriate continuity and stability is present amongst Board members and senior management whilst enabling appropriate ongoing renewal as we take Bapcor into its next phase of optimisation and growth. Consideration was given to the balance between the need for appropriate governance, and strategic leadership and oversight required for the long-term sustainable growth for the Company.

Succession planning is also ongoing to further build the strength and capability of the Bapcor Board with a strong focus on ensuring that Non-Executive Directors have skills and experience that strengthen the areas identified in the Board skills matrix.



# ROLE OF THE BOARD

The Board has a Charter (**Board Charter**) which establishes the role of the Board and its relationship with management. The Board Charter, which was recently updated to include further detail, articulates the division of responsibilities between the Board and management, in order to manage expectations and provide clarity about their respective roles and accountabilities.

As outlined in the Board Charter, the primary role of the Board is the protection and enhancement of long term shareholder value, and its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of Bapcor.

Some of the key functions of the Board are:

- › approving Bapcor's strategies, budgets and business plans;
- › approving Bapcor's annual report including the financial statements, directors' report, remuneration report and corporate governance statement, with advice from the Nomination, Remuneration and ESG Committee and the Audit and Risk Committee, as appropriate;
- › approving Bapcor's debt and funding strategy, the acquisition, establishment, disposal or cessation of any significant business of the company, any significant capital expenditure and the issue of any shares, options, equity instruments or other securities in Bapcor;
- › approving Bapcor's purpose, values and Code of Conduct, monitoring the culture of the company (including by forming a view on the risk culture) and instilling Bapcor's Code of Conduct through policies, processes, systems and people;
- › assessing performance against strategies to monitor both the performance of senior management of Bapcor Limited (being the MD & CEO and other individuals as determined from time to time by the Nomination, Remuneration and ESG Committee) (**Senior Management**) as well as the continuing suitability of strategies;
- › reviewing operating information to understand at all times the state of health of Bapcor;
- › considering the economic, occupational health and safety, environmental and social sustainability risks of Bapcor's activities;
- › ensuring that Bapcor acts legally and responsibly on all matters and that the highest ethical standards are maintained; and
- › maintaining a constructive and ongoing relationship with the Australian Securities Exchange (**ASX**) and regulators, and approving policies regarding disclosure and communications with the market and Bapcor's shareholders.

The Board Charter additionally sets out the role and responsibility of the Board Chair, and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.

The Board has delegated to the MD & CEO the authority to manage Bapcor and its businesses within levels of authority specified by the Board from time to time. The MD & CEO may sub-delegate aspects of his authority and power but remains accountable to the Board for Bapcor's performance, and is required to report regularly to the Board on the progress being made by Bapcor's business segments. The Board is responsible for appointing, evaluating or removing the MD & CEO, and approving appointments or removal of all other members of Senior Management and Directors.

The Board is responsible for appointing a Company Secretary. The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary. The decision to appoint or remove the Company Secretary is made or approved by the Board.

The Company Secretary is responsible for the operations of the Company Secretary's office, including the administration of Board and Committee meetings, overseeing Bapcor's relationship with its share registrar and lodgements with the ASX and other regulators. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with Bapcor's Disclosure Policy.

The Company Secretary supports the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and despatch of Board agendas and briefing papers. The Company Secretary is responsible for taking minutes and keeping accurate record of Board meetings.

In accordance with the Board Charter, the Board reviews the Board Charter at least annually, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.

A copy of the Board Charter is available on the Website.

# ROLE OF THE BOARD continued

## Board Composition and Skills

NAME	POSITION	APPOINTED	INDEPENDENT
Margaret Haseltine	Non-Executive Chair	30 May 2016 (as Chair from 17 February 2021)	Yes
James Todd	Non-Executive Director	1 September 2020	Yes
Mark Powell	Non-Executive Director	1 September 2020	Yes
Mark Bernhard	Non-Executive Director	1 March 2022	Yes
Noel Meehan	Managing Director & Chief Executive Officer	1 September 2022	No
Brad Soller	Non-Executive Director	1 November 2022	Yes
Kathryn Spargo	Non-Executive Director	1 March 2023	Yes
Rebecca Dee-Bradbury	Non-Executive Director	1 September 2023	Yes

The Board aims to be comprised of Directors who have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to Bapcor's businesses and the Board's responsibilities. This objective is described in the Board Charter.

The Board regularly evaluates the mix of skills, experience and diversity at the Board level, and has developed and adopted a Board skills matrix which has been tailored to the circumstances and requirements of Bapcor.

The objectives of the skills matrix adopted by the Board are to:

- › Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board of Bapcor as a whole, in order for the Board to fulfil its role and in light of Bapcor's strategic direction;
- › Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- › Identify any gaps in skills or competencies that can be addressed in future Director appointments.

## Board Skills Matrix

### Our approach to Board composition and skills matrix

The Board and its Nomination, Remuneration and ESG Committee work to ensure the Board has the right balance necessary to fulfil its responsibilities. The composition of our Board is designed to include Directors that bring diversity of thought and a level of skill and experience that helps deliver value and returns to our shareholders.

Our skills matrix identifies the skills, knowledge, experience and capabilities of our Board to enable it to meet both the current and future challenges for Bapcor. All Directors are expected to comply with the Code of Conduct, act with integrity, lead by example and promote the desired culture of Bapcor. In addition, our Board operates under the premise that all Directors:

- › Have clear understanding of regulatory and legal compliance matters, director responsibilities, duties and stakeholder expectations;
- › Have strong understanding of ethical obligations to all stakeholders and understand the factors that impact Bapcor's social licence to operate;
- › Have clarity about Bapcor's purpose, strategy and culture and the need to focus on both financial and non-financial risks;
- › Can and do appropriately challenge management and the status quo;
- › Are willing to show their technical ability, depth and breadth of knowledge and use it to Bapcor's benefit;
- › Are willing to continuously learn and improve their skills;
- › Are collaborative; and
- › Consider health & safety in all decisions and processes.

To ensure we cover existing and emerging business and governance issues relevant to Bapcor, we review our Board's skills annually. The 2023 review focused on the skills and experience required for Bapcor to continue to achieve its purpose and strategy to maintain our leading role in providing vehicle parts, accessories, equipment, service and solutions across Asia Pacific.

## ROLE OF THE BOARD continued

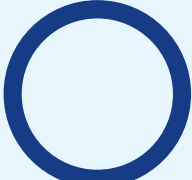
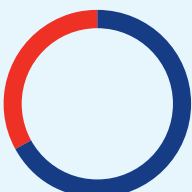
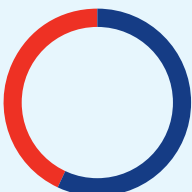
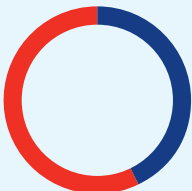
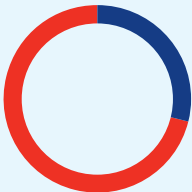
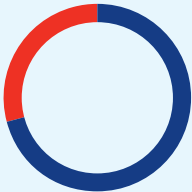
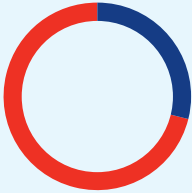
### Board skills and why are they important to Bapcor

The skills matrix below provides a list of skills relevant for the Board of Bapcor given our current business strategy and market positioning, as determined by our Board and Nomination, Remuneration and ESG Committee. The skills self-assessment result represents the skills, experience and expertise of each Director and the extent to which they are represented on the Board.

SKILLS, LINKS TO THE BUSINESS STRATEGY AND CRITERIA		SKILLS SELF-ASSESSMENT RESULT*
<b>LEADERSHIP, GOVERNANCE &amp; COMPLIANCE</b>  Providing leadership and oversight is a key responsibility of the Board. The Board, including the MD & CEO, sets the 'tone from the top'. This includes upholding the company's ambition to be the leading automotive aftermarket service provider across Asia-Pacific, demonstrating behaviour that is aligned with Bapcor values and creating a performance environment that reinforces the way something is achieved is as important as what is achieved.	<b>Executive leadership</b> Senior executive and/or non-executive role in a publicly listed company in Australia or overseas.	
	<b>People, culture and remuneration</b> Senior executive and/or non-executive role with direct responsibility for people, culture, hiring, remuneration and skills development.	
	<b>Legal, public policy and regulation</b> Experience with regulatory and legal compliance and litigation/disputes.	
<b>INDUSTRY</b>  Bapcor must have a Board comprising directors who are able to effectively understand and manage the issues arising in the Company's business, review and appropriately challenge the performance of management and optimise the Company's performance. To achieve this goal, the board should have significant technical expertise in retail, franchising, wholesale, supply chain & distribution and automotive.	<b>Retail, franchising and wholesale</b> Executive and/or non-executive roles in sales for either retailers, franchises or wholesalers.	
	<b>Supply chain and distribution</b> Executive and/or non-executive roles in distribution and supply chain logistics.	
	<b>Automotive</b> Executive and/or non-executive roles in the automotive sector (retail, manufacturing or aftermarket).	

■ Highly Skilled ■ Skilled ■ General Knowledge

## ROLE OF THE BOARD continued

SKILLS, LINKS TO THE BUSINESS STRATEGY AND CRITERIA	SKILLS SELF-ASSESSMENT RESULT*
<b>COMMERCIAL</b>	
Bapcor's ambition is to be the leading automotive aftermarket service provider in Asia-Pacific across trade, specialist wholesale, commercial vehicles, retail and services. Our Board must have a strong commercial sense and ability to assess market risks and opportunities.	<div> <b>Strategy and risk management</b>            Experience in enterprise-wide strategy development and implementation, managing business operations, and designing an effective capital management framework, whether in an executive or non-executive capacity.         </div> 
<b>Accounting and corporate finance</b> Role in accounting, auditing, corporate taxation, investment banking, funds management, capital markets or equity analysis, whether in an executive or non-executive capacity.	
<b>M&amp;A and investments</b> Experience with developing and executing M&A, divestments, restructuring, capital allocations and spin-offs, whether in an executive or non-executive capacity.	
<b>Technology and digital strategy</b> Role in technology with a specific focus on developing and utilising digital and emerging technologies, whether in an executive or non-executive capacity.	
<b>Entrepreneurship and innovation</b> Experience in product innovation and diversification, implementing new ideas from concept to production, whether in an executive or non-executive capacity.	
<b>Asia-Pacific business experience</b> Role in developing and implementing successful and sustainable operational/ governance structures in new geographies and jurisdictions (primarily Asia-Pacific), whether in an executive or non-executive capacity.	
<b>Sales, marketing and PR</b> Commercial understanding of market trends, demands, influences, competitors, cycles, customer preferences and other factors impacting the demand and market share, whether in an executive or non-executive capacity.	

■ Highly Skilled ■ Skilled ■ General Knowledge

## ROLE OF THE BOARD continued

SKILLS, LINKS TO THE BUSINESS STRATEGY AND CRITERIA		SKILLS SELF-ASSESSMENT RESULT*
PEOPLE AND SUSTAINABILITY		
<p>People are the key to our business. Team members, franchisees, customers, suppliers and communities must be considered when assessing and approving strategies to ensure that Bapcor maintains its social licence to operate.</p>	<p><b>Health and safety</b></p> <p>Executive and/or non-executive roles with direct control, responsibility and accountability for the health and safety of employees.</p>	
	<p><b>Human and social capital management</b></p> <p>Understanding of issues related to human rights and sustainability of the supply chains, particularly with respect to the automotive parts sector.</p>	
	<p><b>Environment and sustainability</b></p> <p>Understanding of key environmental impacts for an Australian automotive parts distributor, including how climate change risks and opportunities affect the business and experience in management, performance and governance of these impacts.</p>	

■ Highly Skilled ■ Skilled ■ General Knowledge

\* The above Board Skills Matrix does not include the self-assessment of Rebecca Dee-Bradbury and will be updated in FY24 to reflect her appointment.

The Board considers that it currently has an appropriate mix of skills and diversity, noting that succession planning is ongoing to further build the strength and capability of the Bapcor Board to guide Bapcor in the next phase of transformation and growth.

### Director Succession

The Board has established and operates a Nomination, Remuneration and ESG Committee. The Nomination, Remuneration and ESG Committee's functions and powers are formalised in the Nomination, Remuneration and ESG Committee Charter, a copy of which is available on the Website.

The nomination-related function of the Nomination, Remuneration and ESG Committee is to, where required:

- identify suitable candidates with appropriate skills, experience, expertise and diversity to complement the existing Board, in order for the Board to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board;
- undertake appropriate checks on a candidate and seek confirmation from the candidate that they will have sufficient time to fulfil their responsibilities as a director; and
- subject to the results of such checks and confirmations, make recommendations to the Board on their appointment.

Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.

The Company provides information to shareholders about Directors seeking re-election at a general meeting, to enable shareholders to make an informed decision on whether or not to re-elect the Directors. In particular, the Company provides information on each relevant Director's qualifications and experience; the skills they bring to the Board; details of any other ASX-listed directorship held in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect of the re-election of the Director.



## ROLE OF THE BOARD *continued*

The Company will, in the case of a candidate standing for election as a Director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Nomination, Remuneration and ESG Committee has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, the candidate's capacity to exercise independent judgement on board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.

All Directors and senior executives have entered into formal agreements with the Company setting out the key terms, conditions and expectations of their engagement. Specifically, each Non-Executive Director letter of appointment outlines the terms of appointment including the Director's duties; disclosure of director interests; obligations; policy on seeking independent advice at the expense of the entity; remuneration; access to corporate information; expected time commitments; and compliance with the Company's policies.

Similarly, senior executives including the MD & CEO and Chief Financial Officer (**CFO**), have a formal job description and services agreement or employment agreement with the Company describing their term of office, duties, rights and responsibilities, and entitlements on termination.

### Director Induction and Development

The Nomination, Remuneration and ESG Committee is tasked with ensuring that an effective induction process is in place for newly appointed Directors, and the review of those induction procedures.

In addition, the Nomination, Remuneration and ESG Committee is responsible for ensuring that incumbent Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively.

As Directors join the Board, they undertake a comprehensive induction program, which includes the provision of information on the Company's core values, key strategies and objectives, as well as its governance framework and operations. New Directors also meet with Senior Management to gain an appreciation of the Group's services and capabilities.

The Board receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance.

All Directors have ongoing access to information on the Company's operations and to the Group's Senior Management. Each Director is, at any time, able to seek reasonable independent professional advice on any business-related matter at the expense of the Company.

Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.

### Director Independence

As at the date of this statement, the Board is comprised of eight Directors. A majority (seven) of the Directors are Non-Executive and independent. The only non-independent Director is Mr Noel Meehan, the MD & CEO of Bapcor.

The Board has considered the circumstances of each Director and determined that all Non-Executive Directors are independent Directors, on the basis that they are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of their judgement. In reaching this conclusion, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.

The Board, with the guidance of the Nomination, Remuneration and ESG Committee, will continually assess whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board, and to act in the best interests of Bapcor and its security holders generally.

The Corporations Act and regular Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.

## ROLE OF THE BOARD continued

### Board Committees

The Board Committees assist the Board in effectively discharging its duties. Each committee focuses on a particular set of responsibilities and provides feedback on these to the Board.

The Board had the following committees in FY23:

AUDIT AND RISK COMMITTEE			NOMINATION, REMUNERATION AND ESG COMMITTEE	
		MEETINGS ATTENDED/HELD		MEETINGS ATTENDED/HELD
Members	Brad Soller (Chair) <sup>3</sup>	3/3	Mark Powell (Chair)	4/4
	James Todd	5/5	James Todd <sup>1</sup>	3/3
	Mark Bernhard	5/5	Mark Bernhard <sup>2</sup>	3/3
			Kathryn Spargo <sup>4</sup>	1/1
Composition	<ul style="list-style-type: none"> <li>➤ Minimum 3 Directors</li> <li>➤ 100% Independent</li> <li>➤ Chair should be an independent Non-Executive Director who is not Board Chair</li> <li>➤ At least one member must have relevant financial qualifications and experience</li> <li>➤ All Committee members should be financially literate</li> </ul>		<ul style="list-style-type: none"> <li>➤ Minimum 3 Directors</li> <li>➤ Majority Independent</li> <li>➤ Chair must be an independent Non-Executive Director</li> </ul>	

(1) James Todd was appointed a member of the Nomination, Remuneration and ESG Committee on 1 October 2022.

(2) Mark Bernhard was appointed a member of the Nomination, Remuneration and ESG Committee on 1 October 2022.

(3) Brad Soller was appointed Chair of the Audit and Risk Committee on 1 November 2022.

(4) Kathryn Spargo was appointed a member of the Nomination, Remuneration and ESG Committee on 1 March 2023.

All the members of the Committees were independent Non-Executive Directors and each Committee is chaired by a Non-Executive Director, who is not the Chair of the Board. Further, there is a minimum of three members per Committee.

The Chair of a Committee may invite other Directors, members of Senior Management and representatives of the external auditor to be present at meetings of the Committee and seek advice from external advisers.





# PERFORMANCE EVALUATION AND REMUNERATION

## Evaluation of Board performance, Committees and individual Directors

In accordance with the Board Charter, the Nomination, Remuneration and ESG Committee is required to regularly carry out a formal review of the performance of the Board, its Committees, and each individual Director, using where necessary an external consultant, against appropriate measures. The review will assess, amongst other things:

- › the effectiveness of the Board and each Committee in meeting the requirements of its charter;
- › whether the Board and each Committee has members with the appropriate mix of skills and experience to properly perform their functions;
- › the contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and
- › whether adequate time is being allocated to Bapcor's matters, taking into account each Director's other commitments.

During the year, the Board undertook a review of the Board Charter to determine its adequacy for current circumstances, including an assessment of whether the Board has performed the functions set out in the Board Charter. It is noted that a formal self-evaluation was undertaken in FY23 to review the performance of the Board and its Committees with a further review to occur in FY24, which will include the assistance of an independent external consultant. The purpose of the Board and Committee evaluation process is to identify areas where performance of the Board, Committee and the Company can be enhanced.

## Evaluation of Senior Executives' performance

The Nomination, Remuneration and ESG Committee is required to regularly carry out a formal review of the performance of Senior Management against appropriate measures, using an external consultant where necessary. In addition, each year, the Nomination, Remuneration and ESG Committee is required to review the performance of the MD & CEO and any other executive directors as may be appointed against guidelines approved by the Board.

Further details of how Bapcor assesses the performance of senior executives are set out in the Remuneration Report (contained within the Annual Report).



# REMUNERATION

## Executive Remuneration

The Bapcor Board is committed to delivering a remuneration framework that:

- › Attracts, motivates and retains senior executives to drive the long-term sustainable growth of Bapcor;
- › Creates the appropriate alignment between senior executives and shareholders through value creation by achieving Bapcor's strategic objectives; and
- › Supports Bapcor's purpose and values that rewards executives within the risk profile determined by Bapcor.

Further details of the key senior executives' remuneration are set out in the Remuneration Report section of the Company's Annual Report.

## Non-Executive Remuneration

The structure of Non-Executive Directors' remuneration is distinct from that of executives. The remuneration policy for Non-Executive Directors is designed to attract and retain directors that are appropriately skilled and experienced in order to carry out the roles and responsibilities required. These include the need for Board oversight, independence and the highest levels of governance.

The Board fees provided to Non-Executive Directors fall within the maximum aggregate fee limit of \$1,500,000 which was approved by shareholders (as per the ASX Listing Rules) at the Annual General Meeting held on 20 October 2020.

Non-Executive Directors' remuneration is further detailed in the Remuneration Report section of the Company's Annual Report.



# RISK FRAMEWORK

## Management of risks

The Group has various policies and procedures to identify, assess and manage business and operational risks. Responsibility for risk management is shared across the organisation. The Board is responsible for overseeing the establishment of and approving risk management strategy, policies, procedures and systems of Bapcor. Bapcor management is responsible for establishing Bapcor's risk management framework.

The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring Bapcor's risk management framework, to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

In addition, the Audit and Risk Committee is required, under its charter, to undertake a review of Bapcor's risk management framework with management at least once annually. The identification and effective management of these risks, including measured risk-taking, is viewed as an essential part of the Company's approach to creating long term shareholder value.

The Group's operations are not subject to any significant environmental regulations under Australian Commonwealth or State legislation or other jurisdictions in which it operates. Whilst the Company has exposure to elements of risks relevant to the industry in which Bapcor operates, the Company does not consider, given the nature of its business, that it has any specific extraordinary exposure to economic, environmental and social sustainability risks.

Notwithstanding this, Bapcor recognises that a sustainable and successful business is dependant on the engagement of team members, delivery of shareholder wealth and optimisation of business operations in an affordable, social and environmentally responsible manner. Bapcor takes an integrated sustainability approach, aligning company values and strategic direction with positive outcomes for Bapcor's stakeholders and the wider community in which it operates. Bapcor views investment in these areas as an important driver of long-term performance and value creation.

To formally document its approach and commitment to sustainability, the Board has adopted an Environmental Social and Governance (ESG) Policy, a copy of which is available on the Website. The Board is tasked with responsibility for the ESG Policy, including the responsibility to regularly review and monitor the effectiveness of the policy. The Board is also responsible, under the ESG Policy, to annually set and review objectives in relation to the policy, and annually assess Bapcor's progress in achieving these objectives.

In addition, the Board has adopted an ESG Strategy which builds upon Bapcor's vision, commitment and responsibilities with respect to the ESG sustainability factors outlined in the ESG Policy. A copy of the ESG Strategy is available on the Website, and is regularly reviewed by the Board.

Further details about Bapcor's ongoing economic, environmental and social sustainability initiatives are provided in the ESG Report section in the Annual Report. A review of the Group's risk management framework and risk register was undertaken during the 2023 financial year.

## RISK FRAMEWORK **continued**

### Internal audit function

The Company has established an Internal Audit function. The principal objective of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the business operations at Bapcor. The Internal Audit function helps Bapcor accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, risk and governance processes.

The functional and organisational framework within which Bapcor's Internal Audit operates is formalised in an Internal Audit Charter, a copy of which is available on the Website.

The Internal Audit function is led by the Group's Head of Internal Audit, Risk and Insurance, with the skills, knowledge, experience, professional certifications, geographic reach and independence required to deliver an objective and value adding assurance function to Bapcor, and to meet the requirements of the Internal Audit Charter.

The Internal Audit function has strict accountability for the confidentiality and safeguarding of records and information, and is fully authorised to have free and unrestricted access to any and all of Bapcor's records, physical properties and personnel pertinent to carrying out any engagement. All Bapcor team members are required to assist in Internal Audit activity as part of their role and responsibility within the organisation. The Internal Audit function also has free and unrestricted access to Bapcor's Audit and Risk Committee.

The Internal Audit function is independent of the external audit function, and remains free from interference by any element in the organisation, including matters of external audit selection, scope, procedures, frequency timing or report content. The Internal Audit function reports to the Audit and Risk Committee periodically, and administratively (on a day to day basis) to the CFO, with rights of direct access to the Chair of the Audit and Risk Committee.

Internal Audit reports are regularly submitted to the Audit and Risk Committee and, where appropriate, to management and the Board. The Audit and Risk Committee approves the internal audit plan annually.

### CEO and CFO certification

The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects. The Board, with the guidance of the Audit and Risk Committee, reviews the Group's half yearly and annual financial statements.

The Board has a process to receive written assurances from the MD & CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards and section 295A of the Corporations Act, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board does and will continue to seek these assurances prior to approving the financial statements for all half year and full year results.

### Periodic Corporate Reports

The Audit and Risk Committee reviews and makes recommendations to the Board regarding approval of all financial reports. Where a periodic corporate report is not required to be audited or reviewed by an external auditor, senior management conducts a comprehensive internal verification process. This process includes layers of preparation, peer review, subject matter expert input (internal and external), and Board approval where appropriate. This is to ensure the report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions.



# GOVERNANCE CODES AND POLICIES

Bapcor has a number of codes and policies to help Directors and team members understand what is expected of them.

## Code of Conduct

The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, a copy of which is available on the Website.

The Code of Conduct sets out the way in which Bapcor seeks to conduct business, namely in an honest and fair manner, aligned with our values and acting only in ways that reflect well on Bapcor in strict compliance with all laws and regulations.

The Code of Conduct articulates acceptable practices for Directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices.

The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.

Responsibilities of Bapcor's personnel under the Code of Conduct include protection of Bapcor's business, using Bapcor's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest. Breaches of the Code of Conduct are reported to the Board on a regular basis.

## Whistleblower Policy

Bapcor has a stand-alone Whistleblower Policy that encourages all eligible whistleblowers to raise matters that are of legitimate concern, including in relation to a potential breach of any legal or regulatory requirement, or a Company policy.

### Internal Reporting

Under this Policy, reports of actual or suspected misconduct may be made to the:

- › Chair of the Board's Audit & Risk Committee;
- › MD & CEO;
- › CFO;
- › Chief People and Culture Officer; or
- › for the purpose of any New Zealand-specific Disclosures, any of the above persons, or the Executive General Manager – New Zealand.

### External Reporting

If it is not practical to raise concerns regarding actual or suspected misconduct internally, the 'Speak Up at Bapcor' service can be contacted. The 'Speak Up at Bapcor' service is an independent, externally managed reporting service that enables whistleblowers to raise concerns regarding actual or suspected misconduct.

Where a whistleblower disclosure relates to:

- › the MD & CEO, the Chair of the Board's Audit & Risk Committee is the Bapcor contact notified by the 'Speak Up at Bapcor' service; and
- › a member of Bapcor's Group Leadership Team (**GLT**), the MD & CEO and the Chair of the Board's Audit & Risk Committee will be notified by the 'Speak Up at Bapcor' service.

All whistleblower disclosures are reviewed and investigated, either internally or externally, as appropriate. A summary of all whistleblower disclosures is provided to the Board on a monthly basis.

Further information can be found in the Whistleblower Policy available on the Website.

## GOVERNANCE CODES AND POLICIES *continued*

### Anti-bribery, Corruption and Fraud Policy

The Anti-Bribery, Corruption and Fraud Policy states how Bapcor conducts business in line with the Company's values and how bribery and corruption are wholly inconsistent with these values. Bapcor has a zero tolerance for bribery and corruption.

Anti-bribery and corruption complaints may be reported to the MD & CEO, CFO, Chief People and Culture Officer or to any member of the GLT. Any team member or external business partner may also raise anti-bribery and corruption complaints directly with the 'Speak Up at Bapcor' service. Complaints received by the Company are reviewed and investigated which may include the involvement of senior executives or external providers as appropriate. A summary of anti-bribery and corruption complaints is also provided to the Board on a monthly basis.

A copy of the Anti-Bribery, Corruption and Fraud Policy is available on the Website.

### Disclosure Policy

The Board has adopted a Disclosure Policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors.

The Board has established a Disclosure Committee comprising the Managing Director and CEO, the CFO and the Company Secretary (who also acts as the Disclosure Officer).

The Disclosure Committee is responsible for:

- › determining what information will be disclosed by Bapcor to the ASX;
- › implementing procedures to ensure that, if required, disclosures to the ASX can be made immediately, and trading halt requests can be lodged with the ASX immediately;
- › preparing (or overseeing the preparation of) external announcements (other than categories of routine announcements that the Disclosure Committee determines may be prepared and released without its prior review, if any); and
- › reviewing and approving proposed external announcements for release to ASX.

In accordance with the Disclosure Policy, the Disclosure Officer is responsible for ensuring that all Board decisions that must be disclosed to the ASX are dealt with by an appropriate company announcement.

To ensure the Board has timely visibility of all information being disclosed to the market, all material market announcements are circulated to the Board promptly after they have been made.

At any time, the Company provides investor presentation materials on the ASX Market Announcements Platform ahead of the respective investor presentation.

The purpose of these procedures is to ensure timely and accurate information is provided equally to all shareholders and market participants.

A copy of the Disclosure Policy is available on the Website.

## GOVERNANCE CODES AND POLICIES *continued*

### Diversity and Inclusion Policy

The workforce of Bapcor is made up of team members with diverse skills, backgrounds, perspectives and experiences, and this diversity is recognised, valued and respected.

To articulate its commitment to diversity and inclusion in its workforce, including but not limited to gender diversity, the Board has adopted a Diversity and Inclusion Policy, a copy of which is available on the Website.

The overriding objective of the Diversity and Inclusion Policy is to align Bapcor's business operations with the positive outcomes that can be achieved through a diverse workforce that recognises and utilises the contribution of its diverse skills and talent. The policy also seeks to ensure that Bapcor has a properly functioning diverse workplace where discrimination, bullying, harassment, vilification and victimisation cannot and will not be tolerated.

The Diversity and Inclusion Policy seeks to promote diversity that extends beyond gender and includes, also taking into account areas such as age, ability, ethnicity, marital or family status, religious or cultural background, and sexual orientation or preference.

The Board is tasked with responsibility for the Diversity and Inclusion Policy, including the responsibility to regularly review and monitor the effectiveness of the policy. The Board is also responsible, under the Diversity and Inclusion Policy, to annually set and review measurable objectives in relation to gender diversity (and where appropriate, other aspects of diversity including in respect of women in leadership, age diversity and cultural diversity), and annually assess Bapcor's progress in achieving these objectives.

Further details about Bapcor's ongoing diversity and inclusion initiatives are provided in the ESG Report section of Bapcor's Annual Report.

As at 30 June 2023, female representation in Bapcor's workforce at various management levels was as follows:

LEVEL	2023 OUTCOME	2022 OUTCOME
Board of Directors	28%	50%
Non-Executive Directors	33%	50%
Senior Executives	27%	11%
Managers	24%	18%
Entire organisation	28%	26%

For the purposes of the table above:

- › "Senior Executive" means the MD & CEO and the CEO's direct reports.
- › "Managers" means executives two levels below the MD & CEO.
- › "Entire organisation" includes casual team members and excludes Non-Executive Directors and independent contractors.

In accordance with the *Workplace Gender Equality Act 2012*, Bapcor has submitted a Workplace Gender Equality Report for the 2022/2023 reporting period. The submission includes details of Bapcor's Gender Equality Indicators and is available on the Website.

### Modern Slavery

Modern Slavery is an industry and business risk that is relevant to Bapcor, and Bapcor's approach to managing Modern Slavery risks is outlined in our Human Rights Policy. This includes our obligations under the *Modern Slavery Act 2018*, which requires Bapcor to report annually on the steps the Company has taken to address modern slavery risks in its supply chain for each reporting period. The latest Modern Slavery statement was approved by the Board on 30 November 2022 and is available on the Website.

### Securities trading policy

The Company has adopted a Securities Trading Policy which prohibits Directors, the MD & CEO, key management personnel and other senior executives and their closely related parties from trading in Bapcor securities other than in a designated trading window. Additionally, the Securities Trading Policy outlines a general prohibition on Directors and team members from using Inside Information when dealing in Bapcor securities.

A copy of Bapcor's Securities Trading Policy is available on the Website.



# SHAREHOLDER COMMUNICATION

The Bapcor Website is the primary medium of providing information to all shareholders and stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.

The Website contains information relevant to shareholders and stakeholders including:

- › all relevant announcements made to the market, including annual and half yearly reports;
- › all corporate governance policies and charters adopted by the Board;
- › information provided to analysts or media during briefings; and
- › the full text of notices of general meetings and explanatory material.

The Board is committed to facilitating effective two-way communication with its shareholders, investors and stakeholders, and has adopted a Shareholder Communication Policy to define and support this commitment. A copy of the Shareholder Communication Policy is available on the Website.

The Shareholder Communication Policy sets out the Company's investor relations approach, namely by communicating with its shareholders and investors by posting information on the Website, and by encouraging attendance and participation of shareholders at general meetings.

Following the release of Bapcor's half-year and full-year results, Bapcor conducts a results announcement open briefing which the public, including the media, all shareholders, stakeholders and new investors, are invited to attend. In addition, Bapcor also conducts investor and analyst briefings at which institutional investors and stockbroking analysts are briefed. At both meetings, attendees are given an opportunity to ask questions of the MD & CEO and CFO.

Shareholders are encouraged to attend the Company's general meetings and notices of such meetings are given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.

The Company's annual general meeting in particular is an opportunity for shareholders to receive updates from the MD & CEO and Board Chair on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business.

Shareholders are also given an opportunity at annual general meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

The date, time and location of the Company's general meetings are provided in the notices of meetings lodged with the ASX, and on the Website. Whilst shareholders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf. All resolutions at a meeting of shareholders are decided by poll.

Investors are able to communicate with the Company electronically by emailing the Company Secretary. Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

Bapcor encourages its shareholders to receive company information electronically by registering their email addresses online with Bapcor's share registry.





[bapcor.com.au](http://bapcor.com.au)