



STEAMSHIPS
TRADING COMPANY LIMITED

12 May 2023

ASX / PNGX
MARKET ANNOUNCEMENTS

CORPORATE GOVERNANCE STATEMENT 2022

To supplement the *amended* Appendix 4G and submitted on 12th May 2023, Steamships hereby annex a copy of the board approved 31 December 2022 Corporate Governance Statement which can also be found at <https://www.steamships.com.pg/about-us/corporate-governance>.

Michael Scantlebury
Company Secretary
Steamships Trading Company Limited



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A Commitment to Good Governance

Corporate Governance Statement 31st December 2022.

Steamships is committed to adopting and implementing rigorous corporate governance practices across all its activities and divisions. The following corporate governance report has been approved by the Board of Directors.

Steamships has adopted the following governance structure:



* meets quarterly

** meets monthly



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Director's attendance at the Board and relevant Board Committee meetings during 2022 is as follows:

Board and Committee Attendance 2022				
	Board	Audit & Risk	Remuneration & Nomination	Strategic Planning
GL Cundle	4/4		2/2	1/1
LM Bromley	4/4	4/4	2/2	1/1
DH Cox OL, OBE	4/4	4/4		1/1
WT Kamit CBE	4/4	3/4		
JB Rae-Smith	4/4			
JH Woodrow	2/2			
P Aitsi MBE	4/4			
MR Scantlebury	4/4			1/1
RPN Bray	4/4		2/2	1/1
CD Hansor		3/3		

Steamships believes it complied with the Australian Stock Exchange Corporate Governance Principles (the fourth edition) during the twelve months ended 31 December 2022, except as disclosed below.

Each section addressing a key principle includes references to relevant information that appears in the 2022 Annual Report or on Steamships' website.

Principle 1 / Lay Solid Foundations for Management and Oversight

Steamships internal management systems and processes are designed to support the Board in providing strategic guidance for the Company and provide effective management oversight. The Board operates under a charter which defines the Board's duties and those delegated to committees and management. This charter is reviewed annually.

The Company has a written contractual agreement with each of its Directors and senior executives. During 2022 the Chairman of the Board conducted a performance evaluation of the Board, its committees, and the Directors. In addition, performance evaluations for all senior executives were carried out.

Neither the Chairman of the Board of Directors nor the Chairperson of the Audit & Risk committee is independent. Both are connected to major shareholders of Steamships Trading Co Ltd.

Recognising that a committed and diverse workforce improves operating performance and delivery of objectives, Steamships has a diversity policy in place at all levels, including the Board. This policy promotes gender diversity and PNG citizen development. Progress is reported quarterly to the Board.



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A summary of the status as at 31st December 2022, and comparison between 2021 and 2022, is as follows:

2022

Citizens and Females in Senior Manager Positions	Total Headcount	Total Senior roles	Total citizen in senior roles	% of citizen in senior roles	Total female in senior roles	% female in senior roles
Logistics	1109	85	71	84%	9	11%
Property, Hotel	849	50	32	64%	20	40%
Stevedoring	646	22	19	86%	2	9%
Head Office	101	21	17	81%	12	57%
	2705	178	139	78%	43	24%

2021

Citizens and Females in Senior Manager Positions	Total Headcount	Total Senior roles	Total citizen in senior roles	% of citizen in senior roles	Total female in senior roles	% female in senior roles
Logistics	1004	92	78	85%	11	12%
Property, Hotel	816	51	27	53%	20	39%
Stevedoring	590	18	14	78%	2	11%
Head Office	97	24	13	54%	9	38%
	2507	185	132	71%	42	23%

Principle 2/ Structure the Board to Add Value

While the Board maintains overall responsibility for the systems of internal control and monitors their effectiveness, it is assisted in discharging its responsibilities by the Audit & Risk Committee, which, from July 2021, was composed of a non-executive chairperson (who represents a significant shareholder) and two independent non-executive directors. A third independent member joined the committee in June 2022.

The members of the Audit & Risk Committee, their qualifications and their attendance at meetings of the Committee held during 2022 are shown above and in the Directors' Report contained in the 2022 Steamships Annual Report.

The Board has a Remuneration and Nomination Committee comprising three Directors (two non-executive and the Managing Director). The members of the Remuneration and Nomination Committee and their attendance at meetings of the Committee during 2022 are detailed above.

Steamships follows the Global Reporting Initiative, a worldwide corporate sustainability transparency initiative, and since 2017 has adopted the G4 guidelines.

The Board has received from its Managing Director a declaration that, in his opinion, the financial records of the entity for 2022 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.



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During 2022, management of Steamships and its divisions reported to the Audit & Risk Committee on the effectiveness of its risk management systems and performance in managing material business risks. Steamships' Strategic Planning Committee also formally reviews divisional risk registers and the corporate risk register as part of its annual strategic review.

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

Steamships Code of Conduct is based on the Company's values and behaviours. It represents a commitment to uphold ethical practices as well as comply with legal and regulatory requirements.

Other HR policies underpin the Code and cover health, safety, environment, security, drug & alcohol abuse, vehicle usage, cyber security etc. The Code is reviewed annually, signed by new joiners, and is presented to all staff periodically as a training refresher.

Principle 4/ Safeguard the Integrity of Corporate Reports

Steamships recognises the importance of the accuracy and integrity of its financial reports and has the structure in place to achieve this. The Audit & Risk Committee meets frequently (five times p.a. with two of these being to review and approve the disclosure of interim and annual results and financial statements). The Audit & Risk Committee holds regular meetings with the external auditors (with and without senior management present).

The Audit & Risk Committee are responsible for the appointment, performance, and independence of the external auditors. PwC were re-appointed following a tender process in 2020. It is a practice of PwC that the engagement partner rotates after five years.

The external auditor is required to attend the Company's Annual General Meeting where shareholder questions can be addressed.

Principle 5/ Make Timely and Balanced Disclosure

Steamships has a written policy to ensure compliance with the ongoing ASX Listing Rules disclosure requirements and PNGX Markets (being the Public Disclosure and External Communications Policy) which is reviewed annually.

Principle 6/ Respect the Rights of Security Holders

The above-mentioned policy ensures that the Company is aware of the need to provide effective communication to shareholders on the activities of the Company. This is most effectively achieved through the website.

The Annual General Meeting is held in Port Moresby and all shareholders are invited to attend.

Principle 7/ Recognise and Manage Risk

Steamships recognises that the management of risk is a fundamental component of doing business in Papua New Guinea. This is managed through a comprehensive risk register compiled by each of the divisions' management teams, reviewed semi-annually, and endorsed by the executive directors. Divisions present their risk register to the Audit & Risk Committee and Strategic Planning Committee annually.



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The Health and Safety Committee meets monthly with representation from across the businesses and the Group HSSE Manager and is chaired by the Managing Director. The observations and actions from this committee are reported to the Board quarterly.

Steamships is committed to operating to ISO standards. The Logistics and Property divisions have been awarded ISO 18001 (Safety), 14001 (Environment) and ISO 45001 (quality). The Hospitality division is expected to be accredited for the same standards in 2023. The Hospitality division has HACCP certification for food safety in all restaurants and food outlets.

Principle 8/ Remunerate Fairly and Responsibly

The Remuneration and Nomination Committee meets at least annually (often semi-annually) to review pay and bonus arrangements for all employees, succession planning and to review remuneration for Board and Committee Members.