

ORCODA LIMITED
CORPORATE GOVERNANCE STATEMENT
2023

This Corporate Governance Statement (**CGS**) outlines the primary corporate governance practices for Orcoda Limited (**Company** or **Orcoda**). It addresses the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Board believes the Company accords with most of the principles and recommendations of the ASX Corporate Governance Council.

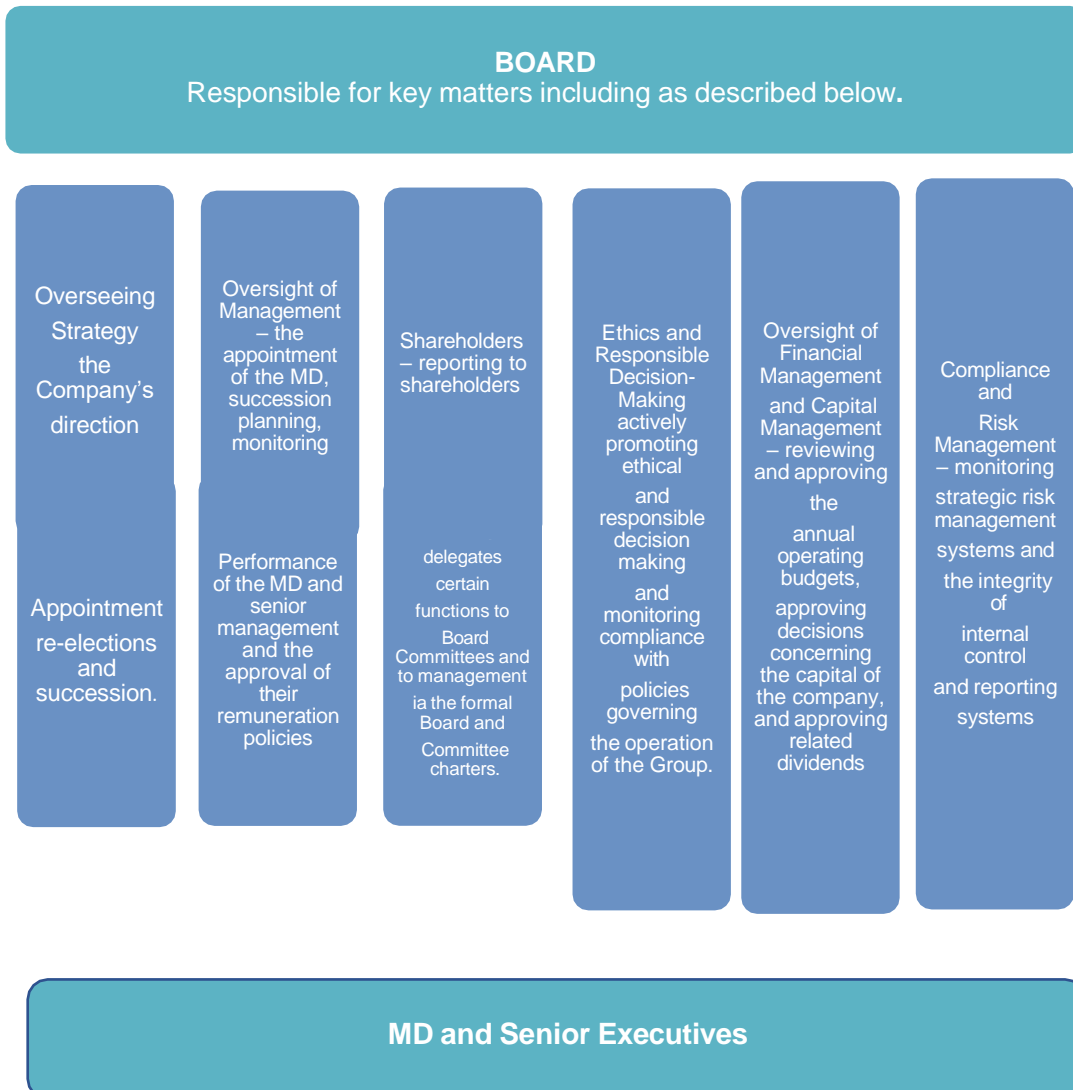
The corporate governance policies and practices described below are those that have been in place as at the date where this Statement indicates (or otherwise throughout the 2023/4 financial year. The Board continues to review the governance framework and practices of the Company to ensure they meet the interests of shareholders. All references to the Company's website are to: www.Orcoda.com

Principle 1: Lay solid foundations for management and oversight

Role of the Board.

The Board is committed to effectively representing and promoting the Company, thereby adding long-term value to all shareholders. The board is accountable to shareholders for managing the Company's business and affairs and is responsible for the overall strategy, governance, and performance. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Company has established a governance framework (see below) which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management.

The Board operates under a formal charter, which can be found on the Company's website. The diagram below depicts the Governance and Framework of the operation of the Company governance framework.



Board Committees

The ultimate responsibility for the oversight of the operations of the Company rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board by the Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Board has established the following standing Board Committees which assist it with the execution of its responsibilities. The composition and effectiveness of the committees are reviewed on an annual basis:

Each of these committees operates by specific charters approved by the Board which can be found on the Company's website.

Audit, Risk and Finance Committee

Remuneration and Audit Committee

The Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board and its committees. The Company Secretary is accountable to the Board through the chairperson on all corporate governance matters and the proper functioning of the Board. The Company prefers a hybrid Company Secretary having corporate legal experience and also a deep understanding of the Corporations Act and Listing Rules, to complement the attributes of other officers on its Board.

Diversity

In appointing members to the Board, consideration is given to the skills, business experience, and educational backgrounds of candidates. The advantage of having a mix of relevant business, executive and professional experience on the Board; the importance of cultural and ethical values; and the benefits of diversity, including gender diversity are also recognised. These factors will also be considered in future appointments to the Board including any identified skills gaps.

A formal Diversity Policy has been adopted by the Board that outlines the Group's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. Orcoda promotes an inclusive workplace where employee variations in such as gender, age, culture, disability and lifestyle choice are valued.

The policy does not include measurable objectives for achieving gender diversity. Due to the current size of the organisation and stage of business maturity, this is deemed not necessary now. In addition, the Group has always had a policy of actively encouraging gender diversity at all levels in the organisation, and a culture that supports workplace diversity. The following proportions of females are provided concerning the Company:

- The proportion of female directors: 0%
- The proportion of female employees in the organisation: 15%
- The proportion of female employees in senior positions: 33%

The Board may consider establishing measurable objectives for achieving gender diversity later. The Board recognises the benefit of diversity, including many different nationalities.

Board and director performance

The Board is committed to enhancing its effectiveness through performance management and review. The Board and Committee review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to enhance its effectiveness.

The existing Board and Committee review process involve each director completing a confidential questionnaire covering the role, composition, processes, and responsibilities. The results of the questionnaire and an analysis of these results are then reported to the Board by the company secretary.

The Board has not conducted a formal performance review during the year by the process outlined above of itself or its committees, however it monitors its own and its committees' performance on a continual basis.

Senior Executives

The Board delegates the responsibility for the day-to-day management of the Company and implementation of the strategic plan to the Managing Director (**MD**), who is assisted by the executives that report to him.

The authorisation thresholds for the control of expenditure and capital commitments are established and defined in the Company's Delegations and Authorities Policy, set to optimise the function and decision-making of the executive as the Company continues to grow and expand, whilst maintaining appropriate oversight by the Board.

Subject to these policy limits and the directions of the Audit and Risk Committee, the MD may sub-delegate the day-to-day running of the Company to the senior executive team. The exercise of delegated authority is restricted to specific organisational functions and roles.

The Delegations and Authorities Policy details the delegated thresholds for various types of commitment and individual positions, as well as the authorisation processes that are required to be followed.

All senior executives are appointed to their positions after a rigorous recruitment process. Each member of the senior executive team, including the executive directors, is employed under employment contracts, covering a range of matters including their duties, rights, responsibilities, and any entitlements on termination. Each contract refers to a specific formal job description. Each contract sets out the remuneration of the executive, including their entitlements to any rights under incentive plans.

Performance of Senior Executives

The evaluation for all executives is based on specific criteria, including the business performance of the Company, whether strategic objectives are being achieved, and the development of management and personnel.

The MD's performance is formally assessed on an annual basis by the Board. All key performance indicators (**KPIs**) are carefully considered by the Remuneration and Nomination Committee, which evaluates the MD's performance and makes recommendations to the Board.

An annual assessment of the performance of all other senior executives is undertaken by the Board based on recommendations by the MD, who conducts performance reviews about each senior executive.

A performance evaluation for senior executives was undertaken in the reporting period by the abovementioned process.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Annual Report under the heading 'Remuneration Report'.

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

Board size and composition

The Constitution of the Company provides that there will be a minimum of three directors and no more than ten directors. At the date of this corporate governance statement review, the Board comprises a non-executive chairman, the managing director, and two non-executive directors.

The members of the Board are currently:

1. Nicholas Johansen (Non-Executive Chairman) - appointed 21 June 2018
2. Brendan Mason (Non-Executive Director) - appointed 29 July 2017
3. Geoffrey Jamieson (Managing Director) - appointed 7 March 2018
4. Geoff Williams (Non-Executive Director) – appointed 1 July 2023

Directors' details are listed in the Annual Report in the Directors Report, including details of their other listed entity directorships and experience.

Board skills and diversity

The Board considers that its directors and senior management have the combined skills and experience to discharge their respective responsibilities. The Board recognises that its membership consists of males of a distinctly Australian background notwithstanding the *ASX Corporate Governance Principles* (4th Edition) and its agreement to the ideal that diversity at every level of a business is a desirable trait.

Notwithstanding those views, the present Board is unwilling to change its stable and productive Board and Company Secretarial team where the effect is purely to improve the optics of equal and favourable gender and/or ethnic metrics. Notwithstanding this principle, 'the Board notes that its highly regarded Senior Financial Controller is female and Hungarian, aside from our ethnicities of a broad nature across its workforce.

The biographies of every Director, the Chief Financial Officer, and the Company Secretary are included in the Director's Report within the Company's Annual Report.

The Company does not have a board skills matrix which sets out the mix of skills that the Board currently has or is looking to achieve in its membership. However the Board considers that collectively it does have an adequate skill and experience level to discharge its duties and drive the business forward.

In addition to the skills and experience set out in the table below, the Board considers that each director has the

following attributes:

- honesty and integrity.
- ability to think strategically.
- time available to devote to Orcoda's business requirements to their responsibilities.
- willingness to question and challenge assumptions during Board meetings; and
- commitment to being part of an organisation that strives toward maintaining a high standard of governance.

All directors are expected to use their range of relevant skills, knowledge, and experience to apply their judgement to all matters discussed at Board meetings. The table following sets out the skills and experience considered by the Board to be important for its directors to possess to discharge their duties collectively effectively. The Company considers that through their membership the Board and Company Secretary, together has the following core competencies.

SKILL	DESCRIPTION
Strategy	Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.
Accounting, Finance, and Risk	The ability to analyse financial statements and reporting, critically assess the financial performance of the Group, contribute to budget planning and efficient use of capital and resources.
Management Experience	A broad range of commercial and business experience in business systems, practices, improvements, risk and compliance, sales, technology, and human resources.
Negotiation Skill	The ability to negotiate effective deals across a variety of contexts; including different industries, products, and services.
Industry experience	Experience and broad understanding of the resources, ASX industry experience and logistics markets in Australia, including market drivers, risks and trends including policies, competitors, end users, regulatory policy, and framework.
Investment Experience	Experience in all aspects of the negotiation, structuring, risk management and assessment of both acquisitions and divestments. This also includes expertise in considering and implementing efficient capital management including alternative capital sources and distributions, yields and markets.
IT and Digital Technical Experience	Expertise in technology including governance of technology projects and remaining abreast of emerging technology relevant to the Company.
Government Relations	Expertise in the in the critical analysis of government policy both in terms of policy development, interest group input and lobbying and legislation. Effective networks.
Community Relations	Expertise in managing communication between Company and the community in which it operates to build positive and effective relationships.
Investor Relations	Experience in the integration of finance, communication, marketing and ASX compliance to enable the most effective two-way communication between a company, the financial community, and other constituencies, which ultimately contributes to a Company's securities achieving fair valuation.
Environment	Knowledge of the environment in which the Company operates, the impact the Company has on that environment and related environmental risks.
People and performance	Appreciation for the best practices in HR planning and management with familiarity with employment legislation and labour relations, recruitment, compensation, performance reviews, and conflict management.

Legal and compliance	Ability to identify key risks to the group in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
ASX governance	Knowledge and experience, in the best practice for the ASX and Corporations Act, governance structures, policies, and processes.

Whilst the current Board composition meets the Company's needs, this skills and experience analysis at high-level assists in identifying opportunities for senior directors and officers, including psychometric testing for critical roles. This high-level summary assists the Board with addressing skill gaps at every level of the business.

Director Nomination Matters

Under its charter the Remuneration and Nomination Committee reviews, and where appropriate, makes recommendations to the Board on the size and composition of the Board, including assessment of necessary and desirable competencies of Board members. To this end, the Remuneration and Nomination Committee will periodically assess the appropriate mix of competencies, skills, experience, and expertise required by the Board and assess the extent to which the required skills and experience are represented.

The Remuneration and Nomination Committee is also responsible for reviewing and making recommendations to the Board on its membership, including recommendations for the appointment and re-election of directors and where necessary, proposing candidates for consideration by the Board. The Remuneration and Nomination Committee must have regard to the factors set out in the Remuneration and Nomination Committee Charter, including that the Board should comprise directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds by the Diversity Policy.

Ultimately, the entire Board determines what director is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checks.

The Remuneration and Nomination Committee's current membership, the independence of the members and details of Remuneration and Nomination Committee meetings and attendance by each Committee member are set out in the Directors Report in the Annual Report.

Director Remuneration and Induction

Non-executive directors are appointed under formal letters of appointment which, among other things, set out the key terms and conditions of the appointment, the Board's expectations about the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration. Director remuneration is reviewed annually.

Directors' independence

Most directors are independent as required by the relevant ASX Recommendation.

All directors, including the Executive Directors, are mindful of their public responsibilities to exercise their judgement in an unfettered manner and to provide effective oversight of management and duties owed to the Company's shareholders.

Whether independent or not, each director is considered by their colleagues as having shown their willingness to exercise independent judgement when making decisions in the best interests of the Company as a whole.

In determining the independent status of each director, the Board has adopted the approach described in ASX Principle 2, and specifically assesses the independence of all directors against the criteria outlined in Box 2.3 of the ASX Recommendations.

Box 2.3

The Board notes that Mr Geoffrey Jamieson is not considered independent due to his executive position as the Managing Director. He is a substantial shareholder by being a director and family trust beneficiary to various trusts.

It has been over three years since Mr. Mason was the Managing Director, and the Board continues to value his work as a Non-Executive Director and believes that he is demonstrably and consistently not adversely impacted to bring an independent judgement to the many issues raised by the Board. Mr. Mason in the Board's view, as with all Directors, are considered by their peers to act in the best interests of shareholders consistently.

On any occasion where it is determined that a non-executive director should no longer be considered independent or vice versa, then Company intends to make an announcement disclosing that change of view to the market.

Directors' interests

Directors are required to keep the board advised of any interest that may conflict with the Company, and restrictions are applied to directors' rights to participate in the discussion and to vote, as circumstances dictate when a conflict has been identified. Where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting

while the matter is considered in their absence.

The Company has also entered a deed of disclosure with each director, designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' security holdings. Directors and their nominated related party shareholdings are also monitored to identify changes that may require urgent disclosure.

Chairman

The role of Chairman and MD is not occupied by the same person. The Board has agreed that the positions of Chairman and MD must be separate, and the Chairman should remain an independent non-executive director.

Mr Nicholas Johansen was appointed Chairman of the Company on 1 July 2018 and is considered an independent director for the purposes of recommendation 2.5 of the ASX recommendations without qualification.

Board meetings

The Board typically schedules meetings bi-monthly, with additional meetings convened as required. The agenda for each Board meeting where documents have been received in advance (i.e., not on short notice) are prepared by the Company Secretary. The Board papers also generally include prior minutes, any board committee minutes and papers for material issues requiring consideration in a manner. Board papers receive MD and Chairman input before being distributed with supporting papers.

Standing items include the MD's report and the financial report, and reports addressing matters of governance, and compliance.

Senior executives and external experts, such as the Company's auditor, are sometimes invited to Board discussions, and directors can directly contact Company employees during business hours.

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

Orcoda values are behaviours that guide the actions and decision-making of the staff and everyone across the organisation.

Cultural diversity values

These reflect in the Company's dealings with outsiders and reflect Orcoda's brand and culture. Orcoda recognises the need for continuous improvement with local contractors and supports Aboriginal & Torres Strait Islander (ATSI) employment. Orcoda is committed to building legitimate Environmental, Social, and Governance (ESG) credentials.

As part of this commitment, Orcoda and our corporate partnerships and alliances actively promote a range of specific initiatives to attract and retain ATSI employees and use local contractors. ODA intends to provide a secure workplace by:

1. providing a culturally secure recruitment and retention process;
2. providing working effectively with cultural diversity within the mandatory induction training program;
3. working within ATSI protocols and heritage guidelines;
4. managing cultural differences in a practical, equitable, and consistent manner;
5. displaying ATSI appropriate cultural material where appropriate; and
6. identifying opportunities for community engagement and support of values of diversity.

Core Values

The Company's Induction handbook which is provided to all employees contains the following description of its view of core values:

1. Our reputation and our ability to help our business grow depend on us providing products and services that are of a consistent, reliable, and high-quality nature, meeting or exceeding our customers' needs and achieving customer satisfaction.
2. The above can only be achieved through having a trusted and transparent process with our clients, a passion for quality, systems that comply with all standards, and people who are prepared to work in a team environment collaboratively with the client. We are committed to providing a productive, safe, and healthy work environment for employees, contractors, clients, customers, and visitors on our worksites and those of our clients.

Its values are summarised as follows:

- ✓ Customer focused
- ✓ "Can-do" mentality
- ✓ Collaboration and teamwork
- ✓ Interpersonal communication
- ✓ Customer relationship focus
- ✓ Commitment to quality of products and services
- ✓ Individual performance and collective performance as recognised by the organisation.



Code of conduct and ethical behavior

Our commitment to ESG

Orcoda is committed to building legitimate Environmental, Social, and Governance (ESG) credentials. We have commenced ESG reporting as a tangible first step in our ESG journey.

We greatly value ESG considerations as they enable us to identify material risks and growth potential better, leading to better-informed decisions and business outcomes. Equally, our commitment to ESG creates a consistent and measurable approach that helps us contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

Universal ESG metrics

We have commenced ESG reporting by making disclosures against the World Economic Forum (WEF) Stakeholder Capitalism framework. The WEF framework is a standard metric for sustainable value creation captured in 21 core ESG disclosures. We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators.

We selected the WEF Stakeholder Capitalism Metrics as the most appropriate ESG disclosure framework to start our ESG journey. It leverages various existing frameworks and is intentionally built to be a steppingstone to begin building capacity and capability in ESG reporting. By including ESG metrics in our mainstream reporting and integrating them into our governance, business strategy, and performance management process, we intend to demonstrate that we diligently consider all pertinent risks and opportunities in running our business.

Whistleblower Protection Policy

Orcoda seeks to identify and assess any wrongdoing as early as possible. The Company values support a culture that encourages staff to speak up on matters or conduct that concerns them. This policy provides information to assist staff in making disclosures. It sets out how the Company will protect them from retaliation or victimisation when they make a legitimate whistleblowing disclosure and has been in place since December 2020.

Anti-Bribery and Corruption Policy

Orcoda is committed to a high standard of integrity. The Company has a framework to report material breaches of the Anti-Bribery and Corruption Policy, or material incidents reported under the bribery and corruption to the Audit and Risk Committee and/or Board.

Employee and director trading in Orcoda Limited securities

Following ASX Listing Rule 12.9, Orcoda has adopted a written policy for dealing in securities which are intended to explain the prohibited type of conduct about dealings in securities under the Corporations Act and to establish a best practice procedure with directors', officers', employees', contractors' and their families and associates' dealings in shares in Orcoda (**Shares**).

The securities trading policy sets out the restrictions that apply to dealing with Shares including "closed periods", during which certain persons are generally not permitted to deal in Shares along with a procedure under which certain persons are required to submit a prior notification and obtain written confirmation before dealing in Shares outside the "closed periods".

The Prohibited Periods are:

- in the two (2) weeks before the release of the Company's quarterly reports and for one business day after the release of the report;
- in the one (1) month before the release of the Company's half-year financial results and for one business day after the release of the results;
- in the one (1) month before the release of the Company's full-year financial results and for one business day after the release of the results; and
- for any other time determined by the Board.

The policy also prohibits short-term trading, margin lending, short selling, and hedging of the Company's securities. The Company's Security Trading Policy may be viewed on the Company's website.

Principle 4: Safeguard the integrity of corporate reports

The Audit, Risk and Finance Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting and the system of internal control. A vital component of the Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board in fulfilling its responsibilities regarding financial reporting, the internal control environment, and audit management across the Company.

The Audit, Risk and Finance Committee Charter, which is available on the Company website, considers the roles and responsibilities of the Audit, Risk and Finance Committee as well as contemporary governance practices. The Audit, Risk and Finance Committee Charter include details on the appointment and oversight of the external auditor. The Company will ensure the external auditor is available to shareholders at the Annual General Meeting to answer any questions about

the Company's external audit.

Currently, the Audit, Risk and Finance Committee comprises two members, Mr Nick Johansen (who is the Committee's Chair) and Mr Geoff Jamieson. The Audit Committee does not comply with Recommendation 4.1 to the extent that (i) it does not have at least three members; (ii) its Chair, although an independent Director, is also the Board Chair; (iii) not all of its members are non-executive directors (Mr Jamieson is an executive director); and (iv) a majority of the Committee's members are not independent directors (Mr Jamieson is not considered to be an independent director for the reasons stated earlier). However, the Board considers that given the size of the Company and its circumstances the Committee's composition is appropriate.

Details of attendance by Audit, Risk & Finance Committee members at Audit, Risk & Finance Committee meetings are set out in the Director's Report in the Annual Report.

The qualifications and experience of the members of the Audit, Risk and Finance Committee are outlined in the Director's Report in the Annual Report.

Following the Company's legal obligations and Recommendation 4.2 of the ASX Recommendations, the MD and Chief Financial Officer have made the following certifications to the board about the Financial Statements for 2022/23:

"In [our] 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 the opinion has been formed based on a sound system of risk management and internal control which is operating effectively".

Additionally, the MD and Chief Financial Officer are responsible for the identification, assessment, management, and reporting of material business risks to the Audit, Risk & Finance Committee and Board.

Principle 5: Make timely and balanced disclosure

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders are well-informed of all significant developments affecting the Company's situation in order to promote transparency and investor confidence.

Orcoda has adopted a Continuous Disclosure and Shareholder Communications Policy and incorporates the continuous disclosure framework set out in the ASX Listing Rules Chapter 3, and ASX Guidance Note 8. That policy is available on the Group's website.

The Continuous Disclosure and Shareholder Communications Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically, the policy:

- Explains in an abridged and summarised form the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act;
- Establishes internal processes for reporting information that is potentially price-sensitive and for consideration of information to be reported by the Board to the market;
- Establishes processes for disclosing price-sensitive information, considering the clarification provided by ASX Guidance Note 8;
- Establishes internal processes for the briefing of analysts, investors, and media groups, responding to market speculation, leaks, and rumours, and calling trading halts where appropriate to avoid trading occurring in an uninformed market; and
- Outlines authorisation procedures for ASX announcements.

The Continuous Disclosure and Shareholder Communications Policy includes policies on shareholder communication as follows:

- Communication of information.
- Analysts and institutional investors.
- Analyst reports;
- Inadvertent disclosure or mistaken non-disclosure;
- Media relations and public statements;
- Reports to shareholders;
- Orcoda website;
- Use of electronic communication and other technology;
- General meetings;
- Notices of meetings;
- Auditor to attend AGM; and
- Shareholder privacy.

Principle 6: Respect the rights of security holders

The Board aims to ensure that its shareholders are well-informed of all significant developments and business events that are likely to affect the Company's operations and financial standing materially and share price. Information is communicated to shareholders through the following methods:

The following information for investors is located from the links in the home page footer:

- ASX releases;
- Shareholder reports;
- Media articles;
- Presentations;
- Directors' details; and
- Corporate Governance information – including Charters and Policies.

Further, the Company's website, under the "Home tab", includes.

- The Annual and half-year financial reports lodged with the ASX and made available to all shareholders.
- Announcement of market-sensitive and other information, including annual and half-year results announcements and analyst presentations released to the ASX;
- The Chair and MD's address to, and the results of, the Annual General Meeting; and
- other information for investors.

The website provides for electronic contact to be made with the Company and lists Information, including annual and half-year result announcements and analyst presentations, as soon as practically possible.

The Company produces two sets of financial information each year: the half-year financial report for the six months ended 31 December and the annual financial report for the year ended 30 June. Both are made available to shareholders and other interested parties.

Shareholders have the right, and are encouraged, to attend the Company's Annual General Meeting, held in October/November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the meeting notice is also posted on the Company website and lodged with the ASX.

In addition, the notice of meeting generally also invites shareholders to submit questions of the board, auditors, or management, which are addressed at the Annual General Meeting.

Shareholders are encouraged to vote on all resolutions which they are eligible to vote on. Shareholders who cannot attend the Annual General Meeting may lodge a proxy. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

All substantive resolutions at a meeting of shareholders are decided by a poll and the results of the meeting are posted on the Company's website and the ASX as soon as practical after the event.

The Company's Continuous Disclosure and Shareholder Communications Policy outlines the processes to be followed by the Company to ensure communication with shareholders and the investment community is consistent and adheres to the principles of continuous disclosure. The policy also outlines requirements for communications with analysts and investors to ensure that the communications are effective and comply with the Company's continuous disclosure obligations.

All shareholders are provided with the option to receive communications from the Company and the share registry electronically and are encouraged to do so, with election documentation included in regular mailouts to shareholders.

Principle 7: Recognise and manage risk

The Board is to ensure that sound risk management frameworks and policies are in place.

The Board has delegated the Audit, Risk and Finance Committee the responsibility for identifying and overseeing major risks and ensuring that systems are in place to manage them. In addition, the Audit, Risk and Finance Committee:

- Identifies and assesses the Company's material business risks.
- Regularly reviews and updates the Company's risk profile.
- Oversees the risk management policies and systems.

The Audit, Risk and Finance Committee's current membership and the independence of the members are set out earlier in this Corporate Governance Statement. Audit, Risk and Finance Committee meetings and attendance by each Committee member are outlined in the Directors' report in the Annual Report.

The Company's risk management framework is integrated with its day-to-day business processes and functional responsibilities. Parts of the business are ISO standard approved. It notes that public tenders to governments (such as the Mt Buller one), or large commercial tenders, require detailed risk and mitigation strategies embedded into their submissions, and the execution of complex organisational logistics, operating around large machinery on one hand, and transferring people with complex conditions on the other, requires that the active management of risk is embedded into the culture of the Group both from "bottom-up" and "top-down".

A review of the Company's entire risk management framework was not carried out during the year ended 30 June 2023, however is planned to be conducted during the year ended 30 June 2024,

Internal Audit

The Company does not have an internal audit function as the board considers the Company not of the size to warrant such a function. Risk is monitored and managed by reporting to the Audit, Risk and Finance Committee.

Economic, environmental, and social sustainability risks

The Company has material exposure to environmental risks and in part manages such risks through monitoring activities and mitigation strategies. The Company is committed to the principles of ESG as an effective means of creating long-term value and has commenced ESG disclosures of the Stakeholder Metrics of the World Economic Forum (WEF). The Company's 2023 ESG report can be found on the Company's website.

Principle 8: Remunerate fairly and responsibly

The Board has established a Remuneration and Nomination Committee, which, in accordance with its Charter (available on the Company's website), is responsible for reviewing and making recommendations to the Board in respect of:

- Executive remuneration;
- Executive incentive plan;
- Remuneration of the Company's key management personnel.
- Equity-based incentive plan;
- Recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the MD and any other executive director and all senior executives reporting directly to the MD; and
- The disclosure of remuneration in the Company's Annual Report.

Currently, the Remuneration and Nomination Committee comprises two members, Mr Nick Johansen (who is the Committee's Chair) and Mr Brendan Mason, both of whom are independent directors. The Remuneration and Nomination Committee does not comply with Recommendation 4.1 to the extent that (i) it does not have at least three members; and (ii) its Chair, although an independent Director, is also the Board Chair. However, the Board considers that given the size of the Company and its circumstances the Committee's composition is appropriate.

Details of attendance by Remuneration & Nomination Committee members at Remuneration & Nomination Committee meetings are set out in the Director's Report in the Annual Report.

The Company distinguishes the structure of non-executive directors' remuneration from executive directors and senior executives (who are often directors of subsidiaries of the Company, or junior members of the Group).

Orcoda rewards executives with a combination of fixed, performance and equity-based incentives that it considers on an annual basis.

The Non-Executive Directors receive fees primarily in the form of cash, however, security incentives are often adopted to address market competitiveness and ensure that the non-executive directors have equity to align interests positively, even if through 'sweat equity', as the Board considers a tangible economic connection with shareholders encourages the injection of bold ideas.

For further details on the Company's remuneration structure please refer to the Remuneration Report in the Company's Annual Report.

This Corporate Governance Statement has been adopted by a resolution of the Board on 19 September 2023.