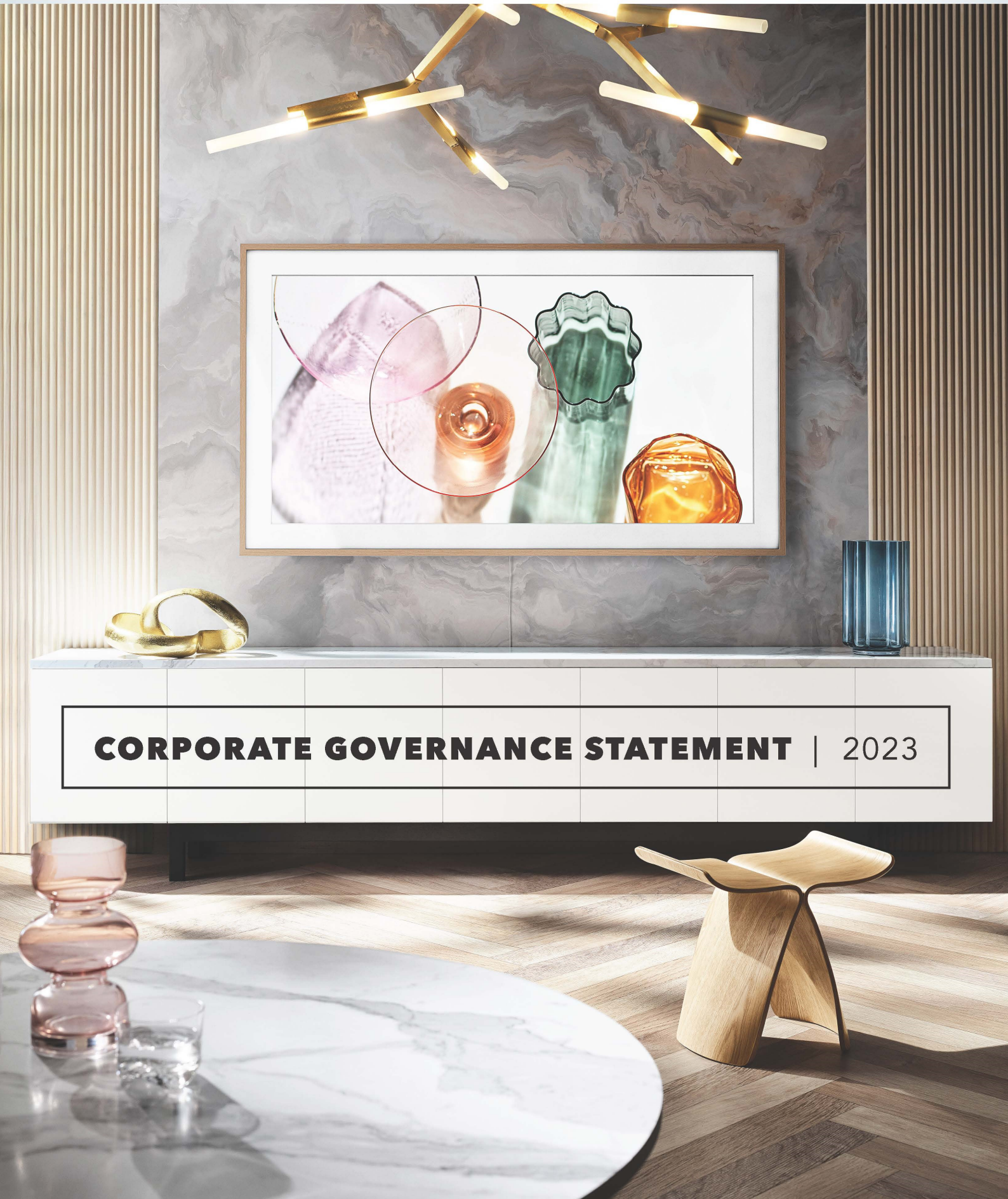


# Harvey Norman

HOLDINGS LIMITED | ACN 003 237 545



**CORPORATE GOVERNANCE STATEMENT | 2023**



# Corporate Governance Statement FY2023

## Harvey Norman Holdings Limited (the Company)

### CORPORATE GOVERNANCE

The board of directors (**Board**) of the Company is committed to a high standard of corporate governance, and is responsible for establishing, maintaining and monitoring the corporate governance framework of the Company. The Board aims to foster a culture of compliance, with an emphasis on ethical behaviour, accountability, corporate and individual integrity and respect for others.

The Board has benchmarked the practices adopted by the Company against the Australian Securities Exchange (**ASX**) Corporate Governance Council's (**CGC**) published guidelines and the ASX CGC corporate governance principles and recommendations (27 February 2019 edition) (**Recommendations**). The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom the Board are elected and to whom the Board are accountable.

This Corporate Governance Statement has been approved by the Board, and summarises the corporate governance practices of the Company, including the practices that are in alignment with the Recommendations for the 2023 Financial Year.

Unless inconsistent with the context, a reference to 'the Company' in this Corporate Governance Statement includes a reference to Harvey Norman Holdings Limited or the controlled entities of Harvey Norman Holdings Limited (or both).

Further details about the corporate governance of the Company may be accessed via the Governance section of [www.harveynormanholdings.com.au](http://www.harveynormanholdings.com.au) (**website**).

# Principle 1

## Management and Oversight

### Board Charter

Matters which are specifically reserved for the Board are set out in the Board Charter, which is available on the Governance page of the website.

It is the role of the Board to:

<p><b>Leadership, Culture and Governance</b></p>	<ul style="list-style-type: none"> <li>• Demonstrate leadership.</li> <li>• Approve the statement of values and code of conduct that underpin the desired culture of the Company.</li> <li>• Appoint and review the performance of the Chair of the Company.</li> <li>• Appoint and review the performance of the Chief Executive Officer (<b>CEO</b>) of the Company.</li> <li>• Approve the appointment or replacement of the Company Secretary.</li> <li>• Whenever required, challenge management and hold management to account.</li> <li>• Be satisfied that the remuneration policies are aligned with the purpose, values, strategic objectives and risk appetite of the Company.</li> <li>• Monitor the effectiveness of the governance practices of the Company.</li> </ul>
<p><b>Strategy</b></p>	<ul style="list-style-type: none"> <li>• Set and approve the strategy of the Company.</li> <li>• Establish strategic objectives for the Company and monitor the execution and implementation by management of the measures, targets, and initiatives necessary to execute those strategic objectives (including the values and performance of the Company generally).</li> <li>• Oversee management in the execution of the strategic objectives of the Company, the instillation of the values of the Company and performance of management generally.</li> </ul>
<p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>• Set the risk appetite of the Company, within which the Board expects management to operate.</li> <li>• Oversee the risk management framework of the Company.</li> <li>• Be satisfied that an appropriate risk management framework exists (for both financial and non-financial risks) with relevant information to be reported by management to the Board.</li> <li>• Make enquiries to satisfy the Board that the risk management framework of the Company deals adequately with emerging issues related to the business of the Company.</li> </ul>
<p><b>Financial</b></p>	<ul style="list-style-type: none"> <li>• Review and approve the annual and half-yearly reports.</li> <li>• Oversee the integrity of the accounting and corporate reporting systems of the Company, including the external audit.</li> <li>• Approve and monitor operating budgets, major capital expenditure, capital management, acquisitions and divestitures.</li> </ul>
<p><b>Shareholders</b></p>	<ul style="list-style-type: none"> <li>• Oversee the process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have material effect on the price or value of the securities of the Company.</li> </ul>

# Principle 1

## Management and Oversight (continued)

### Delegation to Management

The Board delegates responsibility for the operational effectiveness and efficiency of the management of risk to the CEO and Executive Directors. It is the role of Senior Executives of the Company to support the CEO and Executive Directors in the design and implementation of the risk management framework of the Company, implement strategy and operations and to ensure that the Company operates within the risk appetite set by the Board.

The CEO reports to the Board on operational issues that include:

- recommendations on strategic initiatives and developing and implementing corporate strategies;
- preparation for approval by the Board of budgets and cash flow forecasts and management of operations within the financial constraints imposed by the Board;
- maintenance of effective compliance and risk management frameworks;
- evaluation of the performance of key executives, including succession, personal learning and growth activities;
- achievement of financial and non-financial key performance indicators as set by the Board; and
- information to keep the Board and ASX fully informed having regard to continuous disclosure obligations.

### Appointing and Re-electing Directors

The Company has established guidelines which include guidance on selecting candidates for the position of director and undertaking appropriate checks, including character and qualifications, of any potential candidate.

Material information relating to any potential candidate is provided to shareholders before shareholders are asked to vote on the election or re-election of a director, including:

- biographical details (including relevant qualifications and experience, and skills);
- details of other material directorships held;
- in the case of any potential candidate standing for election for the first time, the Company will confirm that the Company has conducted appropriate checks on the potential candidate, include any information of concern, details of matters which may influence their capacity to bring independent judgement to issues before the Board and to act in the best interests of the Company, and confirm whether the candidate will qualify as an independent director; and
- in the case of a director standing for re-election, the Company will confirm the term of office served and if deemed to be an independent director, a statement from the Board to that effect.

### Written Agreements

The Company has in place with each Director and each Senior Executive a written agreement which sets out the terms of their appointment.

The Remuneration Report in the Directors Report in the 2023 Annual Report sets out the executive contractual arrangements.

In the case of non-executive Director, the agreement will include the requirement to disclose matters which could affect their independence, compliance with corporate policies, notifying (and where necessary, seek approval of) the Board of any new role that could impact the role held, and will also include the indemnity and insurance arrangements, ongoing rights of access to information and confidentiality obligations, and the policy on seeking independent professional advice.

### Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters concerning the proper functioning of the Board and each Committee of the Board. The Company Secretary is responsible for guiding the Board and each Committee of the Board on governance matters, monitoring compliance with policy and charters, and convening, conducting and recording meetings. The Company Secretary will also assist in the induction and professional development of each Director.

The Company Secretary may meet with the Chair on all matters regarding the proper functioning of the Board and each Committee of the Board, and each Director can meet and communicate with the Company Secretary.

# Principle 1

## Management and Oversight (continued)

### Diversity

The Company is committed to promoting and supporting an inclusive environment where the diversity in the communities in which it operates is represented in the workforce. The Board Diversity Policy and Employee Diversity Policy of the Company support this commitment. The Board Diversity Policy and Employee Diversity Policy of the Company are available on the Governance page of the website. The Company recognises that diversity in the workforce of the Company generates value for shareholders by building capabilities for the Company to become more innovative, responsive, and competitive.

The Employee Diversity Policy and Board Diversity Policy of the Company are conducive to the selection of well qualified employees, Senior Executives and Board candidates from diverse backgrounds, experiences and perspectives. In addition, the Company is committed to continuing to build a diverse workforce and leverage the benefits of diversity by focusing on attracting, recruiting, motivating and retaining employees from all backgrounds, creating a workplace where discrimination and sexual harassment are not tolerated, and by promoting an inclusive environment to employees once employed.

#### a) Present Measurements

The Company presently monitors the progress of the Company in building a diverse and inclusive workforce through measuring and presenting insights on a range of metrics including:

- the gender identity of employees at all levels of the organisation;
- the gender identity of applicants to advertised positions and the gender identity of those appointed;
- the different positions held by gender identity;
- the gender identity of employees in full time, part time and casual roles;
- the salaries of employees by gender identity and whether a pay gap exists within the Company;
- the number of flexible working arrangements taken up by employees;
- other measures (where disclosed) including the age of employees, the cultural background profile of employees, disability or accessibility requirements of employees, and the length of service of employees; and
- the perspectives of employees on various matters including workplace culture and inclusivity.

#### b) Achievements Towards Gender Balance

The Company continues to recognise the importance of building a strong presence of women leaders and actively supporting and building a pipeline of developing women leaders. The Company is pleased to report that women continue to make up 40% of global Senior Executives, achieving a gender balance within the most senior roles in the organisation. With 45% of the global workforce of the Company made up of women, the Company is proud to have a gender diverse, talented employee population from which to draw and develop future leaders, and it is committed to continuing the support and development of women into the future. The table below shows the composition by gender of employees, Senior Executives\* and Board members over the last five (5) financial years. Data was taken as at 30 June each year.

Women Composition at 30 JUNE	2019	2020	2021	2022	2023
Women Employees	46%	45%	45%	45%	<b>45%</b>
Women Senior Executives*	34%	35%	40%	40%	<b>40%</b>
Women Board Members	10%	10%	20%	20%	<b>20%</b>
CEO	100%	100%	100%	100%	<b>100%</b>
Chair	0%	0%	0%	0%	<b>0%</b>

\* The holder of a Senior Executive position in the Company has primary responsibility for the equivalent of a department, business unit or key function within the Company.

In Australia, the Company is a participant in the annual Workplace Gender Equality Report (**WGEA Report**). A copy of the WGEA Report completed by the Company for the period of April 2022 to March 2023 is available on the website.

# Principle 1

## Management and Oversight (continued)

### c) Diversity Measures, Targets and Initiatives

The Company is committed to building a diversity of perspectives, backgrounds and experiences in the workplace and providing an inclusive and respectful working environment that embraces and promotes diversity, so as to broaden the diversity and strength of the talent pool from which future leaders of the Company can be drawn. This commitment is enshrined in the Statement of Values, the Board Diversity Policy and the Employee Diversity Policy of the Company.

The Board of the Company has not set a specific objective for achieving gender diversity in the composition of the Board of not less than 30% of its directors of each gender within a specified period. The Board of the Company is currently 20% women. The CEO, Kay Lesley Page, is an Executive Director of the Company, and is one (1) of only 20% women CEOs in ASX200 companies.

The Board considers that the current composition of the Board is merit-based. The Board comprises skilled, well-qualified, fit for purpose, and diverse members. The assessment, recruitment and selection process for Board appointments is formal, transparent, fair, objective, free from discrimination and takes into account the diversity objectives of the Company. The Board is committed to maintaining this approach to ensure that it continues to discharge the duties and responsibilities of the Board effectively.

Given the gender balance achieved within the Senior Executives and Employees of the Company, the Board has not set specific measurable objectives in relation to gender diversity at this stage. The Company continues to recognise improving diversity (including gender diversity) and inclusion requires ongoing commitment and actions, and actively monitors and sets focus areas for improvement initiatives through the Diversity and Inclusion Framework of the Company and identified strategic priorities in its planning processes each year.

## Performance Evaluation

The performance of the Board, the Committees of the Board, each Director and Senior Executives is reviewed regularly against both measurable and qualitative indicators that align with the financial and non-financial objectives of the Company.

### a) Board, Committees and Directors

The Nomination Committee of the Company has a process for periodically evaluating the performance of the Board, each Committee of the Board and individual Directors. An Independent Non-Executive Director is responsible for evaluating the performance of the Chair.

For the 2023 Financial Year, the Nomination Committee of the Company conducted performance evaluations of the Board, each Committee of the Board, and each Director in respect of the period.

### b) Senior Executives

A performance evaluation of Senior Executives is undertaken at least annually as part of the overall management of employees of the Company. The CEO and Chief Financial Officer (**CFO**), or the relevant Managing Director of each region, are responsible for the review of the performance of each Senior Executive, based on criteria including feedback from the direct Manager of the Senior Executive, achievement of strategic, tactical and operational objectives, the performance of the business, and a range of other non-quantitative factors. Performance evaluations for key Senior Executives were conducted during the 2023 Financial Year.

# Principle 2

## Board Structure for Effectiveness and Value

### Nomination Committee

The Board has established a Nomination Committee.

For the 2023 Financial Year, the Nomination Committee consisted of Mr Kenneth William Gunderson-Briggs (Independent Non-Executive Director), Mr Maurice John Craven (Independent Non-Executive Director), and Christopher Herbert Brown (Non-Executive Director). Mr Kenneth William Gunderson-Briggs is the Chair of the Nomination Committee.

The Charter of the Nomination Committee is available on the Governance page of the website. The Nomination Committee is responsible for Board succession planning, induction and continuing development of each Director, development and implementation of a process for performance evaluation, the recruitment process for each new Director, appointment and re-election of Directors, and reviewing the time required from a Non-Executive Director.

The details of the number of meetings and the attendance at meetings of the Nomination Committee for the 2023 Financial Year are set out in the Directors' Report in the 2023 Annual Report.

### Skills Matrix

The relevant factors in determining the suitability of a board member are integrity, business savvy, an owner-oriented attitude and a deep genuine interest in the business of the Company.

In applying these principles to the Company:

- Business savvy requires a deep understanding of one or more of the sectors of retail, property, franchising and digital platforms.
- Integrity requires a level of fundamental honesty, candour and frankness in dealing with colleagues, regulators and other third parties. Integrity necessarily requires a director to bring an open mind and independent judgement to the discussion of any matter of concern to the Board.

An owner orientation or perspective of an owner requires the individual to have either:

- "skin in the game" by holding, controlling or benefitting from a significant parcel of shares where the financial interests of the director are aligned with the long term beneficial interest of shareholders; or
- a perspective of advising owners of businesses and understanding that wealth generation is derived from the building of business interests that create long term sustainable value.

Directors with an owner orientation retain an open mind to consider diverse views but are not strictly beholden to the whims of fashionable thinking and are able to form their own views as to what constitutes best practice in corporate governance.

Directors are expected to have an interest in and time to do the job, which means:

- the individual has an executive role, meaning that the career of the person is based on job performance at the Company; or
- the individual has a limited number of outside interests (i.e. the person is not a professional non-executive director), but in both cases the individual has an independence of mind and outlook.

Applying these criteria to the Board, the Board is satisfied that each Director brings to the Board the necessary skills and attributes specified. The biographical details of each Director are listed on the website.

# Principle 2

## Board Structure for Effectiveness and Value (continued)

### Independence and Length of Service

The position and employment details, and length of service of each Director is set out below.

YEAR APPOINTED TO THE BOARD	NAME	POSITION
1987	Gerald Harvey	Executive Chairman of the Company
1987	Kay Lesley Page	Executive Director of the Company and CEO
2001	John Evyn Slack-Smith	Executive Director of the Company and Chief Operating Officer
2005	David Matthew Ackery	Executive Director of the Company and employee
2007	Chris Mentis	Executive Director & Company Secretary of the Company and CFO
1993	Michael John Harvey	Non-Executive Director of the Company
1987	Christopher Herbert Brown	Non-Executive Director of the Company
2003	Kenneth William Gunderson-Briggs	Independent Non-Executive Director of the Company
2019	Maurice John Craven	Independent Non-Executive Director of the Company
2020	Luisa Catanzaro	Independent Non-Executive Director of the Company

Directors of the Company are considered independent when they are independent of management and free from any business or other relationship that could interfere materially with, or could reasonably be perceived to interfere materially with, the exercise of their unfettered and independent judgement. A majority of the Board does not consist of independent Directors. The Board is comprised of an equal number of Non-Executive Directors and Executive Directors. The Board believes that each Executive Director (and each Non-Executive Director who is not independent) is able to bring, and does bring, quality independent judgement to all relevant issues falling within the scope of the role of that Executive Director and that the Company, as a whole, benefits from the long-standing experience of that Director in relation to the operations and business relationships of the Company. Further, the Board believes that each Executive Director (and each Non-Executive Director who is not independent) makes decisions that reflect the best interests of the Company as a whole.

The Board notes that while one (1) Independent Non-Executive Director has served twenty (20) years, having regard to the totality of the defining characteristics required of an independent director and the specific skills and experience of that Independent Non-Executive Director, the Board maintains the belief that the Director is able to bring quality independent judgement to the issues that come before the Board.

In addition, the Board notes that the appointment of each of Mr Maurice John Craven in March 2019 and Ms Luisa Catanzaro in November 2020 as Independent Non-Executive Directors has brought further independent judgement to Board deliberations and strengthened the skills, knowledge and experience of the Board.

As Chair, Mr Gerald Harvey is not an independent Director and is not the CEO.

The Board has determined that Mr Gerald Harvey is the most appropriate person to lead the Board as Executive Chairman and that he is able to bring, and does bring, quality independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company, as a whole, benefits from his long-standing experience with the operations of the Company and business relationships. The Board has determined that Mr Gerald Harvey contributes to a culture of openness and constructive challenge that allows for a diversity of views to be considered by the Board.

### Induction and Professional Development

The Company has an induction program for new Directors. The Nomination Committee, assisted by the Company Secretary are responsible for the development and implementation of the program. The program is reviewed and tailored for each new Director appointed to the Board.

The Nomination Committee reviews the mix of skills of the Board and has processes in place to identify gaps in skills, knowledge and experience. Opportunities are made available to each Director to undertake appropriate professional development, to develop and maintain the skills and knowledge required for them to perform their role as a Director of the Company effectively.



## Principle 2

### Board Structure for Effectiveness and Value (continued)

#### Induction and Professional Development

The Company has an induction program for new Directors. The Nomination Committee, assisted by the Company Secretary are responsible for the development and implementation of the program. The program is reviewed and tailored for each new Director appointed to the Board.

The Nomination Committee reviews the mix of skills of the Board and has processes in place to identify gaps in skills, knowledge and experience. Opportunities are made available to each Director to undertake appropriate professional development, to develop and maintain the skills and knowledge required for them to perform their role as a Director of the Company effectively.

## Principle 3

### Lawful, Ethical and Responsible Culture

#### Statement of Values

The Company has published a Statement of Values on the Governance page of the website. The Statement of Values articulates and communicates the values of the Company. The values set out in the Statement of Values are the embodiment of the things for which the Company stands and are the basis for the behaviour of the Company, the Directors, Senior Executives and employees.

#### Code of Conduct

The Code of Conduct of the Company applies to the Directors, Senior Executives, employees, contractors and consultants and outlines the standards of behaviour the Company expects in order to promote a culture of fair and ethical behaviour, in compliance with applicable laws and standards. The Code of Conduct is published on the Governance page of the website.

The Audit and Risk Committee or the Board (or both) are to be informed of any material breaches of the Code of Conduct of the Company.

#### Whistleblower Policy

The Company is committed to fostering an honest and supportive working environment and maintaining a culture of corporate compliance. The Company has a Whistleblower Policy which is available on the Governance page of the website. The Whistleblower Policy is designed to encourage employees and eligible whistleblowers to disclose wrongdoing and ensure protection of such disclosures.

The Audit and Risk Committee or the Board (or both) are to be appropriately informed of any substantiated findings from each investigation conducted in relation to any material incident disclosed pursuant to the Whistleblower Policy.

#### Anti-Bribery and Corruption Policy

The Company is committed to complying with the law and ensuring that it operates in accordance with the values of the Company (as predominantly listed in the Statement of Values). The Company has an Anti-Bribery and Corruption Policy which is published on the Governance page of the website. The Anti-Bribery and Corruption Policy is designed to set out a framework to prevent, detect and report bribery, corruption and related improper or illegal conduct, and the responsibility of the Company (and representatives of the Company) in observing the zero tolerance of the Company to such conduct.

The Audit and Risk Committee or the Board (or both) are to be informed of any material breaches of the Anti-Bribery and Corruption Policy.

# Principle 4

## Integrity of Corporate Reports

### CEO and CFO Certification

The CEO and CFO provided written statements to the Board in accordance with section 295A of the Corporations Act 2001 (Cth) certifying that the financial records of the Company have been properly maintained, and that the 2023 financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.

The CEO and the CFO have certified to the Board in relation to 2023 Financial Year, that:

- their view provided on the financial report of the Company is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
- the risk management and internal compliance and control system of the Company is operating effectively in all material respects.

The Board notes that, due to the nature of the assurance, the internal control assurance provided by the CEO and CFO can only be reasonable rather than absolute. This is due to factors such as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive. CEO and CFO control assurance is not, and cannot, be designed to detect all weaknesses in control procedures.

In order to mitigate this risk, internal control questions are required to be answered and completed by the Key Management Personnel (**KMP**) of all significant business units, including finance managers, in support of the written statements of the CEO and CFO.

### Verification of Periodic Corporate Reports

During the course of a financial year, the Company may issue periodic corporate reports. Generally, a preliminary draft periodic report is prepared by relevant members of management who are familiar with the subject matter or operational aspects of the particular report, for review by the CEO, CFO or other Senior Executives (as appropriate). Depending on the nature or subject matter of the periodic report, a draft of the report is provided to the Board or a committee of the Board, who may consult with the CEO, CFO or relevant Senior Executives (as necessary), before the report is publicly released.

# Principle 5

## Timely and Balanced Disclosures

### Continuous Disclosure Policy

The Company has a Continuous Disclosure Policy that sets out procedures supporting the compliance of the Company with the continuous disclosure obligations under the ASX Listing Rules. The Continuous Disclosure Policy is available on the Governance page of the website.

### Material Market Announcements

The Board receives copies of all material ASX Market Announcements promptly after the Announcements have been made.

The Company releases copies of any new and substantive investor or analyst presentations as an ASX Market Announcement ahead of any presentations occurring.

# Principle 6

## Shareholder Rights

### Shareholder Communication

The Company aims to always promote and achieve effective communication with shareholders. The website provides information about the Company, including an overview of the business, a description of the corporate structure, governance structure and policies, key dates and a summary of the history of the Company.

The Company has a Shareholder Communication Policy which is available on the Governance page of the website.

The Company is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the activities and governance of the Company in a balanced and understandable way;
- communicating openly and honestly in complying with continuous disclosure obligations contained in applicable ASX Listing Rules and in the Corporations Act 2001 (Cth); and
- communicating effectively with shareholders and making it easier for shareholders to communicate with the Company.

To promote effective communication with shareholders and encourage effective participation at meetings of shareholders, information is communicated to shareholders:

- through the release of information to the market via the ASX;
- through the distribution of the Annual Report and Notice of Annual General Meeting;
- through shareholder meetings and investor relations presentations;
- through letters and other forms of communications sent directly to shareholders; and
- by posting relevant information on the website.

The website has a dedicated 'Governance' page where all relevant governance information can be accessed. The website also has a Reports and Announcements page for the purpose of publishing all important information of the Company and all ASX Market Announcements made by the Company.

Shareholders may receive communications from and send communications to the Company, or the share registry of the Company, electronically.

### Share Trading Policy

The Company has a Share Trading Policy which is available on the Governance page of the website. A Director, Senior Executive or employee must not trade in any securities of the Company at any time if that Director, Senior Executive or employee is in possession of unpublished, price-sensitive information in relation to those securities.

If a Director or Senior Executive is not in possession of unpublished, price-sensitive information, then the Director or Senior Executive is able to trade securities during a Trading Window, being each of the following periods of thirty (30) days starting from:

- one (1) day following the announcement of the half yearly results;
- one (1) day following the announcement of the full year results; and
- one (1) day following the holding of the Annual General Meeting.

Key Management Members (as defined in the Share Trading Policy, which includes each Executive and Non-Executive Director and each Senior Executive) are prohibited from trading outside a Trading Window unless they have first obtained the approval of a Consent Officer (as defined in the Share Trading Policy) to do so. Approval to trade outside Trading Windows will only be granted in exceptional circumstances.

As required by the ASX Listing Rules, the Company will make an ASX Market Announcement to notify the ASX of any transaction conducted by Directors in the securities of the Company.

### Shareholder Participation

At each Annual General Meeting of the Company:

- the Company ensures that all substantive resolutions at a meeting of shareholders are decided by poll;
- the Chairman affords shareholders the opportunity to ask questions about or make comments on the management of the Company, and to submit such questions or comments in advance if a shareholder is not able to attend the Annual General Meeting; and
- the external auditor is in attendance and is available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

# Principle 7

## Recognition and Management of Risk

### Audit and Risk Committee

The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of the approach of the Company to creating long-term shareholder value. To assist in achieving this outcome, the Board has established an Audit and Risk Committee that is responsible for reviewing and making recommendations in relation to the adequacy of the reporting processes and internal control framework, whether the financial statements provide a true and fair view of the position and performance of the entity, engagement with external auditors, and the scope and adequacy of Internal Audit.

For the 2023 Financial Year, the Audit and Risk Committee consisted of Mr Kenneth William Gunderson-Briggs (Independent Non-Executive Director), Mr Christopher Herbert Brown (Non-Executive Director), and Ms Luisa Catanzaro (Independent Non-Executive Director). Mr Kenneth William Gunderson-Briggs is the Chair of the Audit and Risk Committee.

The Charter of the Audit and Risk Committee is available on the Governance page of the website.

Details of how many times the Audit and Risk Committee met throughout the 2023 Financial Year, the qualifications of each member of the Audit and Risk Committee and attendance of each member at meetings of the Audit and Risk Committee during the past year are set out in the Directors' Report in the 2023 Annual Report.

In the 2023 Financial Year, the Audit and Risk Committee reviewed the risk management framework of the Company and is satisfied that the framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. The key business risks identified by the Board are summarised in the 'Operating and Financial Review' section in the 2023 Annual Report.

The Board, in conjunction with the Chief Risk Officer of the Company, oversees an annual assessment of the effectiveness of risk management and control. The tasks of undertaking and assessing risk management are delegated to the Chief Risk Officer through the CEO, including responsibility for the day-to-day design and implementation of the risk management system of the Company. The Chief Risk Officer reports to the Board on the key risks of the Company and the extent to which the Chief Risk Officer believes these risks are being adequately managed.

### Internal Audit

The Board has appointed a Chief Internal Auditor to operate the Internal Audit function of the Company to monitor and assess the internal control environment of the Company and to support the objectives of the Audit and Risk Committee.

The tasks of undertaking and assessing internal control effectiveness are delegated to the Chief Internal Auditor through the CEO, including responsibility for the day-to-day design and implementation of the internal control system of the Company. The Chief Internal Auditor reports to the Board on the key internal controls of the Company and the extent to which the Chief Internal Auditor believes these controls are effective.

The Internal Audit function provides an objective assessment of:

- the systems of internal control;
- the risk and control framework; and
- generally, compliance by the Company with risk management protocols of the Company.

To ensure the independence of the Internal Audit function, the Chief Internal Auditor meets privately with the Audit and Risk Committee, without management present, on a regular basis. The Audit and Risk Committee is responsible for making the final decision on the tenure of the Chief Internal Auditor.

### Sustainability

The changing climate of the world is a major consideration for the future of the business operations, supply chain, colleagues, franchisees and customers of the Company. The Company has continued to progress how climate change issues are managed, reported and addressed. The Executive Sustainability Committee of the Company has developed a framework through the assessment of Sustainability risks and opportunities. The Board and the Executive Sustainability Committee is responsible for oversight of that framework and monitoring Sustainability performance across the global operations of the Company.

Details of the Sustainability performance of the Company are set out in the Directors' Report in the 2023 Annual Report.

# Principle 8

## Fair and Responsible Remuneration

### Remuneration Committee

The Board has established a Remuneration Committee.

For the 2023 Financial Year, the Remuneration Committee consisted of Mr Kenneth William Gunderson-Briggs (Independent Non-Executive Director), Mr Christopher Herbert Brown (Non-Executive Director), and Ms Luisa Catanzaro (Independent Non-Executive Director). Mr Kenneth William Gunderson-Briggs is the Chair of the Remuneration Committee.

The Charter of the Remuneration Committee is available on the Governance page of the website.

Details of how many times the Remuneration Committee met throughout the 2023 Financial Year, the qualifications of each member of the Remuneration Committee and attendance of each member at meetings of the Remuneration Committee during the past year are set out in the Directors' Report in the 2023 Annual Report.

### Remuneration Policies and Practices

The Company aspires to maximise shareholder value by retaining a high-quality Board and Executive Team. Directors and key Senior Executives are remunerated fairly and appropriately with reference to relevant employment market conditions.

To assist in achieving this objective, the Remuneration Committee links the nature and amount of remuneration of Executive Directors and Officers to the financial and operational performance of the Company. The expected outcomes of the remuneration structure are:

- retention and motivation of key Senior Executives;
- attraction of high-quality management; and
- performance incentives that allow Senior Executives to share in the success of the Company.

The Remuneration Report (contained with the Directors' Report in the 2023 Annual Report) contains a description of the remuneration philosophy and framework of the Company, and the remuneration received by each Executive Director and other KMP following an evaluation of the performance of each Executive Director and each other KMP in the current year.

The Board is responsible for determining and reviewing compensation arrangements for the Directors, including the CEO and Executive Directors. Each Director does not participate in deliberations, or decisions, about that Director.

There is no scheme to provide retirement benefits to Non-Executive Directors.

### Equity Based Remuneration Scheme

The Company has an equity-based remuneration plan. The rules of the plan state that a participant must not enter into any scheme, arrangement or agreement (such as options or derivative products) under which the participant may alter the economic benefit to be derived.