



# Supply Network Limited Corporate Governance Statement

The Board promotes a corporate governance framework that achieves the objectives of the business and discharges all responsibilities. It intends to direct the business so that it is managed in a manner consistent with the interests of shareholders, its business partners, and the wider community.

The Board supports the objectives of the guidelines set out in the Corporate Governance Principles and Recommendations (4th edition) put forward by the ASX Corporate Governance Council. However, the Board acknowledges that at present because of the relatively small size of the Company, it does not comply with a number of the recommendations.

The documents that are underlined in this Statement are available on the Company's website at <http://www.supplynetwork.com.au/governance.htm>

Below we address each of the ASX Corporate Governance Principles and Recommendations.

The information in this Statement is current as at 27 August 2021 and has been approved by the Board.

## 1. Lay solid foundations for management and oversight

The Board has a formal Board Charter which details:

- Its role and responsibilities and those delegated to management.
- The process for Board appointments and Director election and re-election.

The Board Charter is available on the Corporate Governance section of the Company's website.

All Directors have written Employment Agreements.

The Company Secretary's role is detailed in the Board Charter and the Company Secretary is currently a member of the Board to ensure direct accountability to the Board through the Chairman. Decisions on appointment or removal of a Company Secretary are made by the Board.

The Company has not established a Diversity Policy. The Board considers that a Diversity Policy is not necessary because of the relatively small size of the Company and because access to employment is based on skill, qualifications, performance and merit. The Company has lodged its Gender Equality Indicators report for the period with the Workplace Gender Equality Agency. The Report is available on the Corporate Governance section of the Company's website.

On a scheduled date, the Board undertakes an internal review of its performance as a unit and of the performance of its members and Committees. Board members are given the opportunity to detail, individually, issues they see as strengths and weaknesses of the Board, of its meetings, and of its members and Committees. These views are discussed by all members but the details and any related reports are not made public. For the year ended 30 June 2021 this formal review has taken place.

On a scheduled date, the Board formally reviews the performance of the Managing Director over the prior year. For the year ended 30 June 2021 this formal review has taken place. The Board requires management to conduct periodic performance reviews of all senior staff.

## 2. Structure the Board to be effective and add value

The Board does not have a formal Nomination Committee, it does not consider a formal Committee is necessary given the small size of the Board. The Board as a whole performs this function and is aware of and regularly considers succession planning.

The Company does not use a skills matrix, however when the Board seeks to fill vacancies it aims to appoint people whose skills meet the needs of the business and are complementary to each other.

The Board has reviewed the independence of each of the Directors in office at the date of this report in light of the interests disclosed by them.

One member of the Board, Mr G Forsyth (Chairman), is considered to be independent.

Mr G Forsyth is related to Mr H Forsyth, a previous Chairman of the Company and a Director of Hergfor Enterprises Pty Limited (Hergfor), a substantial shareholder in the Company. Mr G Forsyth is not an officer of Hergfor and has no direct or indirect interest in Hergfor. The Board has determined that the relationship does not have an adverse impact on Mr G Forsyth's ability to exercise independent judgement in decision-making or to act in the best interests of the Company and its security holders generally.

Mr P McKenzie, a trustee and member of PW & LJ McKenzie Superannuation Fund, which is a substantial shareholder in the Company, is considered not to be independent because of this relationship.

Mr P W Gill retired from his executive position of Finance Director in October 2018 and because he held an executive role in the last three years is considered not to be independent.

Mr G Stewart (Managing Director) is considered not to be independent because he is an executive of the Company

Full details of the Directors' backgrounds, expertise and length of service are set out in the Directors' Report in the [Annual Report](#).

The Board believes its present composition addresses the needs of the Company. However, the Board acknowledges the ASX recommendation that a majority of Directors be independent and will consider this in the context of any future appointments.

The roles of the Chairman and Chief Executive Officer are not held by the same person.

The Company does not have a formal Director induction or professional development programme. However, the Company would provide appropriate induction for new Directors as well as appropriate opportunities for professional development to maintain the skills and knowledge of a Director as and when required.

### **3. Instil a culture of acting lawfully, ethically and responsibly**

The Company has a statement of [Organisational Values](#) and has adopted a:

- [Code of Conduct](#)
- [Whistleblowing policy](#)
- [Anti-bribery and corruption policy](#)

Material breaches of the Code of Conduct, Whistleblowing policy or Anti-bribery and corruption policy are required to be reported to the Board.

The statement of Organisational Values, Code of Conduct, Whistleblowing policy and Anti-bribery and corruption policy are available on the Corporate Governance section of the Company's website.

### **4. Safeguard integrity of corporate reports**

The Company believes it has appropriate processes in place to verify the integrity of its corporate reports.

The Board has established an Audit Committee.

The Audit Committee comprises two of the Company's Non-Executive Directors (Messrs G Forsyth and P McKenzie).

Mr G Forsyth, Chairman of the Board, is the only independent Non-Executive Director and is the Chairman of the Audit Committee. The Board acknowledges the ASX recommendations regarding the composition of the Audit Committee. However, with the present structure of the Board, the composition of the Audit Committee is considered to be appropriate.

The Audit Committee Charter is available on the Corporate Governance section of the Company's website.

Details on the number of meetings held and members' qualifications and their attendances are found in the Directors' Report in the Annual Report.

The Company ensures that a representative of the external auditor attends the Company's AGM and is available to answer relevant questions.

The Company practices high standards of financial reporting, with relevant controls in place.

Before it approves the financial statements, the Board receives from the Managing Director and the Chief Financial Officer a statement in writing that:

- The declarations provided in accordance with section 295A of the Corporations Act 2001 are founded on a sound system of risk management and internal compliance and control that implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks and material business risks.

The Board received these declarations for the year ended 30 June 2021.

The Board approves all ASX announcements and has a diligent approach to reviewing and verifying the information prior to release. This ensures the integrity and accuracy of any periodic corporate report and other announcements.

## **5. Make timely and balanced disclosure**

The Company, because of its relatively small size, does not have written policies and procedures concerning continuous disclosure.

The Board is sensitive to the requirements of an informed market and seeks to keep its shareholders informed through:

- Reports to the ASX
- Half and full-year profit announcements
- Annual Reports
- The Company's website
- Continuous disclosure to the ASX pursuant to the Listing Rules.

The Board approves all ASX announcements and has a diligent approach to satisfy its obligations to make timely and balanced disclosures.

Generally, the Company does not give investor or analyst presentations, however if a presentation is planned a copy of the presentation materials will be released prior to commencement of the presentation.

## **6. Respect the rights of security holders**

The Board recognises its responsibility to provide shareholders with appropriate information and facilities to allow them to exercise their rights as security holders effectively. Accordingly, all ASX announcements are promptly made available on the Company's website in the Shareholder Information section.

The Company's website provides an overview of the Company's business and its governance.

The following documents are available in the Corporate Governance section of the Company's website:

- [Board Charter](#)
- [Audit Committee Charter](#)
- [Remuneration Committee Charter](#)
- [Company Constitution](#)
- [Organisational Values](#)
- [Code of Conduct](#)
- [Whistleblowing Policy](#)
- [Anti-bribery and Corruption Policy](#)
- [Share Trading Policy](#)
- [Privacy Policy](#)

The Board does not believe that the present size of the Company warrants a formal investor relations programme. However, effective two-way communication with investors is achieved through continuous disclosure to the ASX and statutory reporting requirements.

Shareholders are encouraged to participate at general meetings of the Company and the Directors are also available to speak with shareholders at these meetings. All resolutions put to a general meeting are decided by way of poll rather than a show of hands.

Shareholders are able and encouraged to receive communications from, and send communications to, the Company via electronic means.

## **7. Recognise and manage risk**

The Board has not established a separate Risk Committee because the full Board oversees the Company's risk management framework.

The Board considers and annually reviews the Company's risk framework using a risk matrix which addresses the likelihood and severity of risks as well as risk mitigation and contingency planning. Senior management is involved in drafting this document, which addresses the likelihood and severity of risks as well as contingency planning. For the year ended 30 June 2021 this formal review has taken place.

While there is no formalised internal compliance and control system policy, the relatively small size of the Company means there is close interaction between the Board, senior management and staff, and risk is minimised through staff training and monitoring at all levels. Where circumstances dictate, matters are brought to the attention of the Board earlier than at scheduled meetings. For these reasons, the Company does not have an internal audit function.

No material exposure to environmental or social risks has been identified.

## **8. Remunerate fairly and responsibly**

The Board has established a Remuneration Committee. The Remuneration Committee monitors industry remuneration practices and makes recommendations to the Board so that it can set appropriate remuneration levels for employees.

The [Remuneration Committee Charter](#) is available on the Company's website.

The Remuneration Committee comprises two of the Company's Non-Executive Directors (Messrs G Forsyth and P McKenzie).

The Chairman of the Remuneration Committee (Mr P McKenzie) is not independent.

The Remuneration Committee is structured in this manner because the Board does not believe it is appropriate for the Committee to include Executive Directors, or for the Board and its two Committees all to be chaired by the same person.

Details on the number of meetings held and members' qualifications and their attendances are found in the [Annual Report](#).

Board members are remunerated by reference to industry standards.

Non-Executive Directors are paid an annual fee with no provision for retirement benefits.

Executives receive an annual base salary package and may also receive an annual performance bonus and a long-term performance bonus. Any performance bonus payable to an executive is determined by the Board having regard to the performance of both the Company and the executive for the relevant year(s), based on qualitative and/or quantitative factors, which are agreed at the beginning of the year(s).

The Company has an equity-based Employee Incentive Plan (EIP) "Supply Network Limited Employee Incentive Plan" which was approved at the 2020 Annual General Meeting. The Company's Share Trading Policy specifically prohibits participants in the plan from entering into any scheme or arrangement which limits the economic risk of entitlements under the EIP. The Share Trading Policy is available in the Corporate Governance section of the Company's website.

Please also refer to the Remuneration Report contained in the [2021 Annual Report](#).

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Supply Network Limited

ABN/ARBN

12 003 135 680

Financial year ended:

30 June 2021

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: <http://www.supplynetwork.com.au/governance.htm>

The Corporate Governance Statement is accurate and up to date as at 27 August 2021 and has been approved by the board.

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

Date: 24 September 2021

Name of authorised officer authorising lodgement: Robert Coleman

<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:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.   | <input checked="" type="checkbox"/><br>and we have disclosed a copy of our board charter at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a> | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2   | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(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><br><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><br><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><br><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 type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:</p> <p>.....</p> <p>[insert location]</p> <p>and we have disclosed the information referred to in paragraph (c) at:</p> <p>.....</p> <p>[insert location]</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>                               | <p><input checked="" 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"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</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>            |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |   | Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:  | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>  |
|---|---|---|---|
| 1.7   | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement at:<br/> <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a> ;<br/> and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at:<br/> <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</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> |

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 type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ 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 in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> | <p><input checked="" 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  | <p>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>   | <p><input type="checkbox"/></p> <p>and we have disclosed our board skills matrix at:</p> <p>.....</p> <p><i>[insert location]</i></p>   | <p><input checked="" 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>   |
|---|---|--|--|
| 2.3   | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement at:<br/> <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p>and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement at:<br/> <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p>and the length of service of each director in our 2021 Annual Report at:<br/> <a href="http://www.supplynetwork.com.au/shareholder.htm">http://www.supplynetwork.com.au/shareholder.htm</a></p> | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>  |
| 2.4   | A majority of the board of a listed entity should be independent directors.   | <input type="checkbox"/>   | <p><input checked="" 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> |
| 2.5   | 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"/>  | <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>            |
| 2.6   | 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 type="checkbox"/>   | <p><input checked="" 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 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"/><br>and we have disclosed our values at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a>                  | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 3.2   | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code. | <input checked="" type="checkbox"/><br>and we have disclosed our code of conduct at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a>         | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 3.3   | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(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"/><br>and we have disclosed our whistleblower policy at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a>    | <input type="checkbox"/> set out in our Corporate Governance Statement  |
| 3.4   | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.                                | <input type="checkbox"/><br>and we have disclosed our anti-bribery and corruption policy at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a> | <input checked="" type="checkbox"/> anti-bribery and corruption policy was approved during the year and we have disclosed our policy at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a> |

## 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 type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:<br/> <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a><br/> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement at:<br/> <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> | <p><input checked="" 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>            |

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|---|---|---|---|
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |   |   |   |
| 5.1   | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.  | <input type="checkbox"/><br>and we have disclosed our continuous disclosure compliance policy at:<br>.....<br>[insert location]   | <input checked="" 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"/><br>and we have disclosed information about us and our governance on our website at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</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 type="checkbox"/>  | <input checked="" 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"/><br>and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement at:<br><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a> | <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

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|--|--|--|--|
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |  |  |  |
| 7.1  | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p>and the information referred to in paragraphs (4) and (5) at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework holders in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> | <p><input checked="" 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"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period holders in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p>   | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|---|---|--|--|
| 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 type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes holders in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> | <p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>   |
| 7.4   | <p>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.</p>  | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks holders in our Corporate Governance Statement at:</p> <p><a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>  | <p><input type="checkbox"/> set out in our Corporate Governance Statement</p>  |

Key to Disclosures Corporate Governance Council Principles and Recommendations

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|--|--|---|--|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |  |   |  |
| 8.1  | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement at: <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ 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>.....</p> <p><i>[insert location]</i></p> | <p><input checked="" 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  | <p>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>  | <p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in our Corporate Governance Statement at: <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></p> <p>]</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"/></p> <p>and we have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement at: <a href="http://www.supplynetwork.com.au/governance.htm">http://www.supplynetwork.com.au/governance.htm</a></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

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|--|---|--|--|
| <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. | NA   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b><br><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.  | NA   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b><br><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.   | NA   | <input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable<br><input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |