

# Corporate Governance Statement 2022

The Board of Pact Group Holdings Ltd (the **Company** or **Pact**) recognises the importance of good corporate governance and its role in ensuring the accountability of the Board and management to shareholders and other stakeholders.

The Board is focused on ensuring that the Company and its subsidiaries (the **Group**) are properly managed to protect and enhance shareholder interests and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance.

The Board has adopted a corporate governance framework comprising principles and policies that are consistent with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4<sup>th</sup> edition)* (**ASX Recommendations**).

This *Corporate Governance Statement*:

- outlines the key aspects of the Group's corporate governance framework;
- is structured and numbered in order of the principles set out in the ASX Recommendations;

- includes cross references to other relevant information in this *Corporate Governance Statement* on the Company's charters, policies and codes, details of which are available in the Corporate Governance section of the Company's website at [pactgroup.com/investors/investor-communications/#corporate-governance-](https://pactgroup.com/investors/investor-communications/#corporate-governance-); and
- should be read in conjunction with the Directors' Report and the Remuneration Report (contained in the Directors' Report) which are included in the *2022 Annual Report* available at [pactgroup.com/investors/investor-communications/#reports](https://pactgroup.com/investors/investor-communications/#reports) as those reports also contain information required to be included by the ASX Recommendations.

The Board has approved this *Corporate Governance Statement* and considers that the Company's corporate governance framework and practices have complied with the ASX Recommendations for the financial year, except as otherwise detailed in this *Corporate Governance Statement*.

## Principle 1: Lay solid foundations for management and oversight

### Role of the Board and Management

The Board is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company and effective oversight of management.

The Board has a formal charter titled *Board Charter and Relationship with Management* (**Board Charter**), that sets out the roles and responsibilities of the Board and management. The document is available at [pactgroup.com/wp-content/uploads/2022/07/BoardCharterRelationshipManagement\\_v5.pdf](https://pactgroup.com/wp-content/uploads/2022/07/BoardCharterRelationshipManagement_v5.pdf).

The principal role of the Board is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;

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- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The Board's key responsibilities and functions include:

- defining the Company's purpose;
- approving the Company's statement of values and code of conduct to underpin the desired culture within the Company;
- overseeing management in its instilling of the Company's values;
- ensuring the Company has in place an appropriate risk management framework that covers both financial and non-financial risks;
- ensuring an appropriate framework exists for relevant information to be reported by management to the Board;
- challenging management and holding it accountable, as and when required;
- satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- selecting, appointing and evaluating the performance of, determining the remuneration of, and planning for succession of, the Chief Executive Officer (**CEO**) and the CEO's direct reports;
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting, including the external audit;

- overseeing the Company's process for making timely and balanced disclosures of all material information concerning the Company;
- ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;
- developing and reviewing corporate governance principles and policies; and
- performing such other functions as are prescribed by law or are assigned to the Board.

The functions reserved for the Board are contained in the *Board Charter* and the Group's *Delegated Authority Policy*. The CEO and senior executives, who are accountable to the Board, are responsible for matters that are not specifically reserved to the Board, primarily being the day-to-day operations and management of the Group.

Matters which are specifically reserved for the Board or its Committees include:

- appointment of a Chair;
- appointment and removal of the CEO, the Chief Financial Officer (**CFO**), the Company Secretary and other senior executives of the Company;
- appointment of a Deputy Chair and/or the 'senior independent director' (if and when the appointment becomes applicable and/or necessary);
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- definition of the Company's purpose as well as its strategic objectives;
- approval of the Company's statement of values and code of conduct;
- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.

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## Directors

Where a person will be appointed to a casual vacancy, as an addition to the Board or is a candidate for election as a Director for the first time, the Board undertakes appropriate checks of the candidate including checks as to the person's character and experience, criminal and bankruptcy history and any other relevant matters.

The Board has also adopted a policy for the re-election of incumbent Directors, which includes the requirement that the Nomination and Remuneration Committee considers the Director's experience, results of the Director's performance evaluations, sufficiency of time to devote to Pact's affairs and any other relevant information prior to making a recommendation to the Board.

Material information in the possession of the Company which is relevant to a decision on whether to elect or re-elect a Director of the Company will be provided in the explanatory memorandum which accompanies the Notice of Annual General Meeting. Directors eligible for election or re-election are also invited to address the meeting and provide details of the relevant experience and skills they bring to the Board.

The Company has a written agreement with each Director and senior executive setting out the terms of their appointment. These agreements were put in place prior to the appointment of the Director or senior executive, other than in respect of the Chairman whose agreement was put in place during the 2014 financial year. The nature of the agreements differ between those for Non-executive Directors and those for the Executive Director and senior executives, recognising and reflecting that the latter are employees of the Company.

## Company Secretary

As set out in the *Board Charter*, the Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board.

All Directors have direct access to the Company Secretary (and vice versa).

## Diversity Policy

The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity to ensure a discrimination-free place of work. Encouraging diversity drives the Company's ability to attract, retain and develop the best talent. It also enables an engaged workforce, the delivery of the highest quality services to customers and the continued growth of the Group's business.

The Company's vision for diversity incorporates various factors, including – but not limited to – gender, ethnicity, disability, age and educational experience. The Company's Diversity Policy can be accessed in the Corporate Governance section of the Company's website at [pactgroup.com/wp-content/uploads/2021/08/Diversity-Policy-1.pdf](https://pactgroup.com/wp-content/uploads/2021/08/Diversity-Policy-1.pdf).

The Board set its measurable objectives as required by the *Diversity Policy* during the reporting year. Those measurable objectives, and progress against those objectives, are as follows:

	<b>Progress as at 30 June 2022</b>
• Minimum of one female candidate interviewed as part of the recruitment process for salaried roles.	In progress – not achieved
• Annual salary review outcomes to allocate greater or equal overall percentage adjustment for female salaried employees compared to male salaried employees.	Achieved
• Include specific questions in the next Group employee engagement survey to quantify gender as an issue in the workplace across the Group.	Achieved
• Ensure pay equity by gender at each level of the organisation.	In progress – not achieved
• Have 30% female representation in the executive levels of CEO-1 (ELT) and CEO-2 (SLT) populations.	Achieved in respect of CEO-2 (SLT) only
• Establish a Diversity & Inclusion Committee.	New objective for FY23
• Establish a Reconciliation Action Plan.	New objective for FY23
• Deliver unconscious bias skills development to leaders and team members.	New objective for FY23

Active management of salary reviews with a 'lens on gender' has helped Pact identify and take steps to reduce pay equity imbalance.

The Group lodged its annual public report with the Workplace Gender Equality Agency (**WGEA**) including detail on gender pay equity. It has been confirmed by the WGEA that Pact achieved compliance status.

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The following table shows the representation of men and women at various levels within the Group workforce as at 30 June 2022:

Level	Proportion of Women %	Proportion of Men %
Board*	33	67
Senior Executives**	20	80
Other Levels	35	65
Total	35	65

\* Includes the Managing Director (MD) and Group CEO.

\*\*Senior Executives are defined as the CEO/MD and his direct reports as well as the GM – Investor Relations.

Excepting 'Board', the table presents worldwide figures for all Group salaried and waged employees (employed on a full-time, part-time and casual basis).

## Board and Committee Performance Evaluation

The performance of the Board, its Directors and Committees is typically evaluated annually.

During the 2022 financial year, Directors provided feedback in relation to the performance of the Board, Board Committees and their own performance via written surveys facilitated by the Company Secretary. The Company Secretary prepared and circulated the review report that outlined the results and feedback from each Director.

The results of the Board, Committee and individual Director evaluations have been discussed by the Directors. The results concluded that the Board and its Committees are functioning in an appropriate manner.

## Senior Executive Performance Evaluation

A performance evaluation of the Company's MD and Group CEO was conducted by the Nomination and Remuneration Committee in accordance with the *Nomination and Remuneration Committee Charter*.

The performance of the other senior executives is formally evaluated every six months by the CEO which also includes the establishment of their forward objectives. The CEO engages with each of his direct reports on an ongoing basis in relation to their performance and has regular discussions with each of them to facilitate a process of ongoing continuous improvement of their performance across technical, business and leadership criteria.

At the mid-year review a discussion takes place between each senior executive and the CEO. The key purpose of the mid-year review is to track progress against the executive's objectives and to determine action plans to ensure achievement, where considered necessary.

The full year review assesses the full year performance of the senior executives against their objectives as well as the corporate values of the Company.

Performance evaluations for senior executives, which accords with the process described, took place in August 2022 for the 2022 financial year.

## Principle 2: Structure the Board to be effective and add value

### Board

Pact's Constitution provides that the Board does not comprise less than three nor more than seven Directors. During the 2022 financial year, the Board comprised of six Directors, being five Non-executive Directors and the CEO.

### Board Committees

To assist the Board in meeting its responsibilities, the Board currently has established the following two Committees:

- the Nomination and Remuneration Committee (NRC); and
- the Audit, Business Risk and Compliance Committee (ABRCC).

The members of these Committees as at 30 June 2022 and at the end of the reporting period are set out below:

	NRC	ABRCC
Chairman	Jonathan Ling	Michael Wachtel
Members	Lyndsey Cattermole Raphael Geminder	Carmen Chua Jonathan Ling

For the majority of the reporting period, each Committee was structured so that it:

- consisted of a majority of independent Directors;
- was chaired by an independent Director;
- had at least three members; and
- consisted only of Non-executive Directors.

Due to a change in Board independence composition late in the reporting period, the NRC was not comprised of a majority of independent Directors and was not chaired by a Director who was deemed independent for the full reporting period. Further information regarding Board independence is available on page 6 of this *Corporate Governance Statement* in the section titled 'Independence of Directors'.

The composition of the NRC and ABRCC will be reviewed in the 2023 reporting year.

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The *Charters* for each of the NRC and ABRCC can be accessed in the Corporate Governance section of the Company's website at [pactgroup.com/investors/investor-communications/#corporate-governance-](http://pactgroup.com/investors/investor-communications/#corporate-governance-).

A summary of the responsibilities of the NRC are as follows:

as they relate to nomination matters:

- review, assess and make recommendations to the Board on the desirable size, composition, competencies and attributes of the Board, including through the development and use of a Board Skills Matrix;
- review and recommend to the Board succession plans for the Board, the Chairman and CEO;
- review and recommend to the Board membership of the Board including recommendations for the appointment and re-election of Directors and ensure that an effective induction and training process is in place;
- establish policies and procedures and make recommendations to the Board for the selection, appointment and removal of the CEO;
- assist the Board to assess the performance and independence of the Board, its Committees and its members; and
- review and make recommendations to the Board in relation to any corporate governance matters, including in relation to the *Board Charter*, the *Diversity Policy* and the *Corporate Governance Statement*.

as they relate to remuneration matters:

- review and recommend to the Board remuneration and contractual arrangements for the CEO and executives reporting to the CEO;
- review, at least annually, the performance of the CEO against individual and Company targets;
- review the senior executives' performance assessment processes and results and review and approve short-term incentive strategy, performance targets and bonus payments;
- review and recommend to the Board the establishment of any employee equity incentive plan and, where established, offers to be made under the plan;
- review and recommend to the Board remuneration arrangements for the Chairman and Non-executive Directors;

- review and make recommendations to the Board on remuneration by gender and strategies or changes to address any pay gap;
- approve the appointment of remuneration consultants;
- review and recommend to the Board the remuneration report prepared annually for inclusion in the directors' report;
- ensure that the Board and management have sufficient information and external advice to ensure informed decision making regarding remuneration; and
- review and facilitate shareholder and other stakeholder engagement in relation to the Company's remuneration policies and practices.

Further details regarding NRC responsibilities are set out in the *NRC Charter*.

## Board and Committee Meetings

Details of the number of Board and Committee meetings held during the 2022 financial year and the attendance of Directors and members of the Committees respectively are contained on page 38 of the *2022 Annual Report*.

## Board Skills Matrix

The Board considers it important to maintain an appropriate mix of skills, experience, expertise and diversity in its membership to ensure that it is able to meet the present and future needs of the Company. The Board has developed a Board Skills Matrix which sets out the mix of skills, experience and expertise that the Board considers relevant to the membership of the Pact Board.

Each member of the Board has undertaken a self-assessment against the skills, experience and expertise and rated themselves and this information has then been reflected in the matrix and discussed with the rest of the Board.

Results from the most recent evaluation are outlined in the table below.

Skill/Experience/Expertise	Importance
Governance and good judgement, business/commercial, strategy development	Very important
Entrepreneurship/innovation, manufacturing industry, investment/capital management, marketing, finance/accounting, human resources, risk management, environment and social responsibility	Important
Public relations/communication/investor relations, legal, information technology	Relevant

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The Board is of the view that collectively each of these areas is currently well represented on the Board. The Board benefits from the combination of Directors' individual skills, experience and expertise as well as the different perspectives and insights that each Director brings to the Board.

In respect of diversity, the Board recognises the benefit of having, and looks to achieve in its membership, varying backgrounds, attributes and gender representation.

## Independence of Directors

It is the Board's policy that the Board is comprised of a majority of independent, Non-executive Directors. Reviews of each Non-executive Directors' independence are regularly undertaken. For most of the reporting period, the Board held the view that it had a majority of independent Directors, with four of the six Directors (Ms Cattermole, Ms Chua, Mr Ling and Mr Wachtel) considered independent.

Mr Ling was appointed interim executive chairman of Pro-Pac Packaging Limited (**Pro-Pac**) on 18 July 2022. As Pro-Pac's majority shareholder is also a major shareholder of the Company, under the independence guidelines in the *Board Charter* the Board determined that Mr Ling is no longer considered to be an independent director of the Company effective from the date of his appointment in an executive capacity at Pro-Pac.

For more information on each Director (including their experience, expertise, qualifications and term of office) see pages 35 to 37 of the *2022 Annual Report*.

In general, Directors will be considered to be 'independent' if they are not members of management (a Non-executive Director) and they:

- are not material shareholders of the Company, or officers of, or otherwise associated with, material shareholders of the Company;
- do not receive performance-based remuneration (including options or performance rights) or participate in an employee incentive scheme;
- have not within the last three years been employed in an executive capacity by the Company or another group member;

- are not and have not within the last three years, been in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company (or its subsidiaries), or is an officer of, or otherwise associated with someone with such a relationship;
- are not and have not within the last three years been an officer, or employee of, or professional adviser to a substantial shareholder;
- have no material contractual relationship with the Company or another group member, other than as a Director of the Company;
- have no close family ties with any person who falls within any of the categories described above;
- have not been a Director of the Company for such period that his or her independence may have been compromised; and
- are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board considers the materiality of any given relationship on a case-by-case basis and has adopted materiality guidelines to assist in this regard which are set out in Attachment 1 to the *Board Charter*.

The Chairman, Mr Raphael Geminder, holds approximately 49.76% of the issued capital of the Company. Accordingly, the Chairman is not an independent Director. As outlined in the *Prospectus* dated 27 November 2013 and the Company's previous *Corporate Governance Statements*, the Board believes that Mr Geminder is the most appropriate person to lead the Board as Chairman and that he can and does bring quality of judgement to all relevant issues falling within the scope of the role of Chairman and that the Group as a whole benefits from his long-standing experience of its operations and business relationships.

The Board is conscious that there are a number of related party dealings between the Group and interests associated with Mr Geminder. These related party transactions are disclosed in Pact's financial statements in relevant years. A *Related Party Protocol* is in place to monitor and govern these transactions and to ensure compliance with the *Corporations Act 2001* (the **Corporations Act**).

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## Induction and Professional Development

The Company has an induction program for new Directors. On an ongoing basis, including through Board meetings, the Company provides the Directors with information to ensure the Directors have knowledge of current business performance and major issues. Periodic site visits and regular meetings with senior executives also enhance Director knowledge and information sharing opportunities.

The Directors are expected to undertake any necessary continuing professional education to enable them to discharge their duties. The Company has offered the Directors, through the Company Secretary, the opportunity to be advised of various professional development opportunities should they request it. In addition, relevant professional development opportunities are provided from time to time by the Company to the Board.

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

### Values

Pact's vision is to lead the Circular Economy through Reuse, Recycling and Packaging solutions. Pact's vision, mission and values are set out in the 'At a Glance' section of the Company's website at [pactgroup.com/about/pact-at-a-glance/](https://pactgroup.com/about/pact-at-a-glance/).

Pact's management is tasked by the Board with ensuring that its vision and values are adopted across the organisation.

Focused on **Safety, Customer, Integrity, Innovation** and **Respect**, the Group lives by its values to ensure it maintains its responsibilities to its customers, its people and the planet.

### Code of Conduct and Whistleblower Policy

The Company is committed to instilling a culture of ethical behaviour and operating with integrity in all business practices. All Group employees, Directors, officers, authorised representatives, contractors, consultants and agents must comply with the *Code of Conduct* (**Code**).

The *Code* is central to the framework of the Group's compliance program and is complemented by a suite of additional policies and procedures.

The *Code* addresses how the Group does business and focuses on ethics, integrity and reputation; compliance with laws and regulations; commitment to quality; conflicts of interest; bribes, gifts and commissions; privacy; and public communications and disclosures. It also focuses on workplace behaviour and addresses matters such as equal opportunity and anti-discrimination; workplace health and safety; improper use or theft of Group property; and securities trading.

Finally, it deals with how the Group interacts with the community and addresses the Group's contribution to the community, and environment, as well as participation in outside activities and public office.

The *Code* encourages employees and others to report any behaviour or situation where there is a genuine belief that the *Code*, Group policies and procedures or the law may be breached. The Company is committed to ensuring that those who do so are not disadvantaged or discriminated against when making reports in good faith. The Company has a *Whistleblower Policy* which contains appropriate protections for those who report such behaviour and has established an externally facilitated hotline to enable employees and other stakeholders to report any concerns. The Company has also established structures to ensure that the Board is informed of any material incidents reported under the *Code* and its *Whistleblower Policy*.

The Company's *Code* can be accessed in the Corporate Governance section of the Company's website at [pactgroup.com/wp-content/uploads/2021/10/CodeofConduct\\_v2.pdf](https://pactgroup.com/wp-content/uploads/2021/10/CodeofConduct_v2.pdf).

The *Whistleblower Policy* is also available in the Corporate Governance section of the Company's website at [pactgroup.com/wp-content/uploads/2022/07/Whistleblower-Policy\\_2022.pdf](https://pactgroup.com/wp-content/uploads/2022/07/Whistleblower-Policy_2022.pdf).

The Company has also established a *Supplier Code of Conduct* (**Supplier Code**) which sets out the Group's expectations of its suppliers of goods and services, contractors, consultants, and trading and business partners. The *Supplier Code* is also available on the Company's website at [pactgroup.com/wp-content/uploads/2021/09/SupplierCodeofConduct\\_v3-1.pdf](https://pactgroup.com/wp-content/uploads/2021/09/SupplierCodeofConduct_v3-1.pdf).

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## Anti-bribery and Corruption Policy

The Company adopted its *Anti-bribery and Corruption Policy* in keeping with its commitment to maintaining a high standard of integrity, investor confidence and good corporate governance. Pact is committed to working against bribery and corruption in all forms and in accordance with all applicable anti-bribery and corruption laws. The policy outlines how Pact expects its representatives to behave and conduct business in the workplace to meet these commitments and is underpinned by Pact's values which include upholding high standards of business integrity and honesty in all its business dealings.

The *Anti-bribery and Corruption Policy* provides that all material breaches of the policy will be reported to the Board immediately.

The policy can be accessed in the Corporate Governance section of the Company's website at [pactgroup.com/wp-content/uploads/2022/05/AntibriberyCorruptionPolicy11\\_5.pdf](https://pactgroup.com/wp-content/uploads/2022/05/AntibriberyCorruptionPolicy11_5.pdf).

## Principle 4: Safeguard the integrity of corporate reports

### Audit, Business Risk and Compliance Committee

The Board has established an Audit, Business Risk and Compliance Committee.

Details of the Committee's members are set out under Principle 2 of this *Corporate Governance Statement*. Details of the ABRCC members' qualifications and experience and the number of times the Committee met and the individual attendances of those members are contained at pages 35 to 38 of the *2022 Annual Report*.

The responsibilities of the ABRCC are to oversee:

- and monitor the Company's risk management framework periodically and review at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board;
- the Company's relationship with the external auditor and the external audit function generally;
- the Company's relationship with the internal auditor and the internal audit function generally;
- the preparation of the financial statements and reports;
- the Company's financial controls and systems;
- the Company's overall risk management program, including:

- operational, environment risks and social risks generally;
  - the Company's workplace health and safety management, controls and systems; and
  - the process of identification and management of financial risk; and
- the effectiveness of the compliance program to ensure that legal and regulatory requirements are met.

Further details regarding ABRCC responsibilities are set out in the *ABRCC Charter*.

### Managing Director and CEO and CFO Declaration

Before the Board approved the Company's financial statements for both the half-year and full-year financial reporting periods, the CEO and CFO provided declarations in accordance with section 295A of the *Corporations Act*.

### External Auditor

As required by the *Corporations Act*, the Group's auditor, Ernst & Young, attends the Company's Annual General Meeting (**AGM**) and are available to answer questions from shareholders relevant to the audit.

### Reporting Integrity

The Company is committed to establishing and maintaining processes that ensure the integrity of its corporate reporting.

The Company has implemented review and approval processes of information released to market which is not audited or reviewed by an external auditor. The verification process followed is specific to the nature of the relevant announcement or report and includes review by division and function subject matter experts in the Company as well as review against source documentation and relevant regulations.

## Principle 5: Make timely and balanced disclosure

### Continuous Disclosure

The Company is committed to complying with its continuous disclosure obligations to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

The Company discharges these obligations by releasing information in ASX announcements and by disclosure of other relevant documents to the ASX and to shareholders (e.g. annual reports).



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The Company's *Continuous Disclosure Policy* is designed to ensure the timely release of material price sensitive information to the market. This policy establishes procedures to ensure the Directors and management are aware of the Company's disclosure obligations and procedures and have accountability for the Company's compliance with those obligations.

The policy also sets up procedures that must be followed in relation to the release of announcements to the market and discussions with analysts, the media or shareholders.

The Company's *Continuous Disclosure Policy* can be accessed in the Corporate Governance section of the Company's website at [pactgroup.com/wp-content/uploads/2021/08/DisclosurePolicy\\_v4-1.pdf](https://pactgroup.com/wp-content/uploads/2021/08/DisclosurePolicy_v4-1.pdf).

The Company's ASX announcements are available after they are released to ASX on the Company's website at [pactgroup.com/investors/investor-communications/#asx-other-announcements](https://pactgroup.com/investors/investor-communications/#asx-other-announcements).

The Company has processes in place to ensure that the Board receives copies of all material market announcements promptly after they have been made.

When open briefings or public presentations are to be made, the Company ensures that all new and substantive presentations are released to the market ahead of the presentation to enable shareholders the opportunity to participate in the presentation.

From time to time the Company may conduct private one-on-one briefings with analysts or institutional investors. Where such private meetings occur, no information will be provided which may have a material effect on the price or value of the Company's securities unless it has been announced previously to the ASX. A representative of the Disclosure Committee and/or the GM – Investor Relations will be involved in all private discussions with analysts and investors.

Immediately following any such private briefings, meetings or visits, the Company Secretary or GM – Investor Relations (or, in their absence, the executive general manager involved) will consider the matters discussed and presented (including any questions and answers provided). Where they believe any information has been disclosed inadvertently which may have a material effect on the price or value of the Company's securities, they must immediately report the matter to the Disclosure Committee for immediate disclosure to the ASX or to necessitate a trading halt.

## Principle 6: Respect the rights of shareholders

The Company ensures it provides its shareholders with appropriate information and facilities to allow them to execute their rights as shareholders effectively.

### Website

One of the Company's key communication tools is its website located at [pactgroup.com](https://pactgroup.com). The website includes comprehensive and timely information about the Company's history, business, strategy, values, activities, leadership team, reports and announcements, and key events.

The Company has a separate landing page titled 'Corporate Governance' at [pactgroup.com/investors/investor-communications/#corporate-governance-](https://pactgroup.com/investors/investor-communications/#corporate-governance-). Important information about the Company can be found in that section of the website. This information includes the Board and Board Committee charters, the Company's Constitution and other key corporate governance policies.

### Investor Relations

The Company communicates with its investors on three main occasions during the year. These are when its half-year results are released, its full-year results are released and at the AGM. The Company holds a results briefing at the release of each of the half-year and full-year results and those briefings are open to all investors, analysts and other interested stakeholders. Participants have the opportunity to ask questions of the Company.

In addition, each result briefing is recorded and placed on the Company's website for a period to enable those that were unable to attend to access the information.

The Company may also present at other forums during the year. Presentation materials are lodged with the ASX and placed on the Company's website so that all investors have the benefit of knowing what the Company presents.

During the year, the Company also meets with investors and other market participants upon request within the parameters of its *Continuous Disclosure Policy*. This interaction with investors and other market participants allows the Company to obtain an understanding of their areas of interest or matters for concern. These learnings are then considered by management and, where relevant, communicated to the Board.

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The Company has also provided investors and other interested parties with the opportunity to register their email details on its database. Registrants receive via email a copy of all material ASX releases within 24 hours of release to ensure they are kept well informed and given access to the most recent information about the Company.

## Shareholder participation at meetings

The Chairman, in a letter to shareholders, encourages online attendance at the AGM. There is an opportunity to ask questions on the business of the Company, its financial results and specific business of the meeting both through online participation at the meeting or by sending questions to the Company ahead of the AGM. The most commonly asked questions are responded to at the AGM.

The Company also records the audio webcasting of its AGM, so that shareholders who are unable to attend the meeting online can hear the proceedings that are recorded.

All resolutions put to a meeting of shareholders are decided by poll rather than a show of hands.

## Communications

The Company's website contains a facility for shareholders to direct enquiries to the Company and to elect to receive communications from the Company via email. Shareholders also have the option to receive communications from, and send communications to, the Company's share registry, Computershare Investor Services Pty Limited, electronically.

## Principle 7: Recognise and manage risk

The Board has established the Audit, Business Risk and Compliance Committee which oversees the Group risk management infrastructure, addresses risk and strategy simultaneously, and periodically reviews and monitors the effectiveness of the Group's risk framework. Further detail regarding the ABRCC can be found in this *Corporate Governance Statement* under Principles 2 and 4.

## Review of Risk Management Framework

The Company promotes a positive risk-aware culture and is committed to a systematic and comprehensive approach to the effective management of potential opportunities and adverse effects by achieving best practice in risk management.

The Company embraces intelligent risk-taking and recognises that risks can have both positive and negative consequences.

Risk management helps the Company to: achieve objectives; operate effectively and efficiently; protect the Group's people and assets; make informed decisions; and comply with applicable laws and regulations.

The ABRCC has approved the risk management infrastructure which includes the *Risk Management Policy (Policy)* and *Risk Management Framework (Framework)*, to oversee and manage risk.

The *Policy* provides that the Company's commitment is to promote a risk-aware culture in decision making and a commitment to manage all risks that may materially impact the business of the Group in a proactive and effective manner.

The principles and approach for recognising and managing risk are described in the *Framework* which is comprised of the practical process and tools to support consistent implementation of the *Policy*, including roles and responsibilities, and the approach for risk analysis, including identifying, assessing, responding to, and monitoring risks. The *Framework* is aligned with *AS ISO 31000: 2018 Risk Management – Principles and Guidelines*.

The reporting of newly identified risks that may impact the operations of the Group across all areas is encouraged. This reporting includes, but is not limited to, health & safety, reputation, environmental & sustainability, financial, technological, operational, and legal & compliance risks.

Management has developed a process to ensure new risks are identified and existing risks are constantly monitored. All material risks are recorded on the Group Risk Registers which are reviewed regularly by the ABRCC in line with the *Framework*.

Mitigation plans are reviewed and assessed regularly by management to ensure the processes and internal controls in place remain effective and to ensure identified improvement activities continue to be implemented. Updates are provided to the ABRCC on a regular basis.

During the financial year, the ABRCC reviewed the *Policy* and *Framework* to satisfy itself that they continue to be sound.

The Company's *Risk Management Policy* can be accessed from the Corporate Governance section of the Company's website at [pactgroup.com/wp-content/uploads/2022/09/Risk-Management-Policy-May-2022-Approved-27Apr22.pdf](https://www.pactgroup.com/wp-content/uploads/2022/09/Risk-Management-Policy-May-2022-Approved-27Apr22.pdf).

# Corporate Governance Statement 2022

## Internal Audit Function

The Company has an outsourced Internal Audit function overseen by internal management. This function provides management and the ABRCC assurances and evaluation of the effectiveness of the Group's internal control processes, with a primary focus on financial controls and accounting policies.

The annual internal audit program, including the scope and schedule of audits, is developed in consultation with management and approved by the ABRCC. The audit results are reviewed by management and provided to the ABRCC on a regular basis.

The ABRCC reviews the results and effectiveness of the internal audit program and the performance and objectivity of the Internal Audit function. Additionally, the ABRCC evaluates and critiques management's responsiveness to Internal Audit's finding and recommendations, to ensure risks are being effectively managed.

The Company monitors the Group's exposure to risks including economic, environmental and social sustainability risks. The Company will publish a *Sustainability Report* for the 2022 financial year. That report will disclose the Group's material exposure to economic, environmental, social and governance sustainability risks and how they are managed. It will be located at [pactgroup.com/sustainability/](https://pactgroup.com/sustainability/).

## Principle 8: Remunerate fairly and responsibly

### Nomination and Remuneration Committee

As described in the commentary under Principle 2, the Company has a Nomination and Remuneration Committee that operates under a Board approved *Charter*.

Details of the NRC members' qualifications and experience and the number of times the Committee met and the individual attendances of those members are contained at pages 35 to 38 of the *2022 Annual Report*.

## Remuneration Policies

Details regarding the structure of Non-executive Directors' remuneration and Executive Director and senior executive remuneration are contained in the Remuneration Report which is located at pages 42 to 56 of the *2022 Annual Report*.

The Company does not have any scheme for retirement benefits, other than superannuation, for Non-executive Directors.

The Company periodically operates employee incentive schemes designed to drive Group strategy, organisational culture, and long-term shareholder value creation.

The Company has implemented an equity based long-term incentive plan (**LTIP**), which took effect for the CEO from December 2015 and for other senior executives from the 2018 financial year. Further information on the Company's LTIP is located at page 107 of the *2022 Annual Report*.

*Pact's Dealing in Securities Policy* explains the types of conduct in dealings and securities that are prohibited under the *Corporations Act* and establishes procedures in relation to Directors, senior executives and other employees dealing in securities.

Personnel participating in equity-based incentive plans of the Company are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in Pact securities. This provision, along with other guidance in relation to the Company's securities, is outlined in the *Dealing in Securities Policy*, which is located at [pactgroup.com/wp-content/uploads/2022/07/PolicyDealingSecurities\\_v5.pdf](https://pactgroup.com/wp-content/uploads/2022/07/PolicyDealingSecurities_v5.pdf).