

# LaserBond Ltd Corporate Governance Statement

Unless disclosed otherwise, all the best practice recommendations of the ASX Corporate Governance Council have been adopted by the Company. The information reported is as of the 30<sup>th</sup> June 2024 financial year reporting period.

## **Principle 1: Lay Solid Foundations for Management and Oversight**

A listed entity should clearly delineate the respective roles and responsibilities of its Board and Management and regularly review their performance.

*1.1 A listed entity should have and disclose a board charter setting out:*

- a) the respective roles and responsibilities of its board and management; and*
- b) those matters expressly reserved to the board and those delegated to management.*

All Board and Committee Charters are provided on the LaserBond website: <https://www.laserbond.com/investor-relations/corporate-governance/>

The role of the Board is to provide leadership and strategic guidance to the LaserBond Group in addition to overseeing management's implementation of strategic initiatives. The Board is accountable to all shareholders for the performance of the LaserBond Group's businesses. In performing its role, the Board aspires to excellence in governance standards. This requires the Board to work as a team and meet on a regular basis.

The key responsibilities of the Board are as follows:

- a) Approving the Group's strategic direction.
- b) Approving the Group's annual targets and monitoring financial performance against forecasts and prior periods.
- c) Determining dividend policy and the amount, nature, and timing of dividends.
- d) Approving the Group's risk management strategy and monitoring the effectiveness of risk management, including ensuring appropriate internal control mechanisms exist and are implemented in accordance with any regulatory requirements.
- e) Approval and continual review of a delegation authority ensuring appropriate expenditure controls exist for the management of the company.
- f) Considering the social, ethical, and environmental impact of the LaserBond Group's activities, setting standards, and monitoring compliance with sustainability policies.
- g) Selecting, appointing, and terminating the external auditor, including associated recommendations to shareholders for approval.
- h) Overseeing the Board Committee's performance to their Committee Charters, including considering and approving changes to Charters.
- i) Selecting, appointing, and determining terms of appointment of the CEO and any senior management position.
- j) Determining the corporate goals and objectives relevant to the remuneration of the CEO and any senior management position, including evaluating the performance to these objectives.
- k) Reviewing succession plans for the Executive Directors, CEO, and any senior management position.
- l) Approving the individual remuneration levels for Executive Directors, the CEO, and other personnel reporting directly to the CEO.

The roles and responsibilities of the senior executives are determined by the Board and based on the Company's Strategic plans, Financial Budgets, and the available skills and experience of Senior Executives.

The Board expects all senior executives to meet all targets as required by strategic plans, financial budgets, key performance indicators, and formal job descriptions. Performance is evaluated annually via a formal Performance Appraisal process.

*1.2 A listed entity should*

- a) Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election, as a director; and*
- 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.*

The election and re-election of Board members is primarily the domain of the Shareholders in general meetings. However, subject thereto, the Board is responsible for:

- a) Identifying and evaluating possible future Directors to the Board, and to significant subsidiaries.
- b) Appointing Directors to fill casual vacancies on the Board.
- c) Making recommendations to shareholders for the appointment or removal of Directors
- d) Approving policies for appointments to the Boards of entities controlled by LaserBond.

The Board will comprise a majority of Non-Executive Directors where possible, with a majority of whom are ordinarily resident in Australia.

Collectively the Board members should have a broad range of financial and other skills, experience, and knowledge necessary to guide the business of the Group.

The Board will determine and regularly review the composition of the Board having regard to the number and skill mix of Directors, subject to any limits imposed by the Constitution and terms served by existing Non-Executive Directors.

*1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

All executive directors and senior executives have formal contracts in the form of Employment Agreements, Letters of Employment and/or Job Descriptions. Non-executive directors have Letters of Appointment and Remuneration Agreements consenting to act as directors, with fixed fees and terms based on re-election by Shareholders at a general meeting.

*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 proper functioning of the board.*

The Company Secretary is accountable directly to the Board through the Chairperson on all matters related to the proper functioning of the board, including the agenda, board papers, minutes, communication with regulatory bodies, the Australian Securities Exchange, and all statutory and other filings. All Directors have access to the Company Secretary.

### 1.5 A listed entity should

- a) *Have and disclose a diversity policy;*
- 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*
- c) *Disclose in relation to each reporting period:*
  - a. *The measurable objectives set for that period to achieve gender diversity;*
  - b. *The entity's progress towards achieving those objectives; and*
  - c. *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)*

LaserBond Ltd is an equal employment opportunity employer that values and promotes diversity. Diversity encompasses age, gender, ethnicity, physical abilities, religious beliefs, language, political beliefs, sexual orientation, etc.

The Company believes that by bringing together people from diverse backgrounds who contribute based on their skills, experiences, and perspectives, we can deliver the best value and sustainability for LaserBond and its shareholders.

LaserBond's approach to ensuring diversity within the Company is based on the following objectives:

- a) Promoting a culture of diversity amongst employees.
- b) Elimination of any barriers to achieving a diverse workplace.
- c) Ensuring all recruitment and selection processes are based on merit alone.
- d) Providing opportunities for development to all employees to enhance productivity and build teams with a balance of skills, experience, and perspectives.
- e) Rewarding and remunerating fairly.
- f) Promoting flexible work practices that balance each employee's personal situation or needs with the needs of the Company.

The Board reviews these objectives and assesses the performance against them annually and ensures they remain current and have been achieved to the levels desired at this date. Individual divisions may also set measurable objectives relevant to their operating contexts.

One of the challenges for gender diversity stems from the fact that almost all of LaserBond's workforce is employed in skilled metals engineering positions (including apprenticeships). Unfortunately, these positions rarely attract female applicants. The Company, however, continues to encourage female applicants to apply to redress this situation. In addition, diversity throughout the Company (including improving gender diversity balance) will remain a focus.

The representation of female employees as of 30 June 2024 was as follows:

- a) Total workforce – 13% (18 of 143)
- b) Senior Executive – 17% (1 of 6)
- c) Board – 20% (1 of 5)

Senior executives are defined as those persons who report directly to the Board or CEO of the business.

### 1.6 A listed entity should

- a) *Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- b) *Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The process used to periodically evaluate the performance of the board and its committees (including members) involves an extensive confidential survey. This survey involves feedback from all Board and Committee members, and focuses on measuring performance against:

- a) The Board's or Committee's Role
- b) Composition and Effectiveness
- c) Procedures and Practices
- d) Behaviours
- e) Board Administration
- f) Overall Evaluation

These results allow the Board and its Committees to assess their performance since the last assessment and examine ways of performing duties more effectively.

A formal performance evaluation was completed in July 2023.

### 1.7 A listed entity should

- a) *Have and disclose a process for periodically evaluating the performance of its senior executives; and*
- b) *Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

An annual performance evaluation of all employees, including senior executives, is formally undertaken at each financial year's end. Formal performance evaluations of the senior executives are scheduled for July 2024.

## **Principle 2: Structure the Board to be Effective and Add Value**

The Board of a listed entity should be of an appropriate size and collectively have the skills, commitment, and knowledge of the entity, and the industry in which it operates, to enable it to discharge its duties effectively, and to add value.

### 2.1 A board of a listed entity should

- a) *Have a nomination committee which has at least three members, a majority of whom are independent directors and is chaired by an independent director; and*
- b) *Disclose the charter of the committee, the members of the committee and 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.*

The Nomination Committee members comprises three independent directors (Ian Neal, Philip Suriano and Dagmar Parsons), no executive directors and is chaired by an independent director.

The functions of the Committee are to review and make recommendations to the Board in respect of:

- a) The size and composition of the Board, including all committees.
- b) The appropriate mix of qualifications, skills, experience, expertise, and diversity required on the Board, and the assessment to which these are represented on the Board.
- c) Develop and review succession plans for the Board.
- d) Manage the identification and interview process for additional Board members, including recommendations to enable Board support of any nominations for election.
- e) Director induction, independence assessment, and performance evaluation functions.

The Nomination Committee did not meet formally during the reporting period. However, the Board, in consultation with the Company's professional advisors, acted as the Nomination Committee in meetings.

## *2.2 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.*

The Board is committed to ensuring that the composition of the Board of Directors with a blend of skills, experience, and attributes appropriate for the Company and its business. The skills, experience, and expertise relevant to the position of each Director who is in office at the date of this document and their term of office are detailed in the Directors' report.

## *2.3 A listed entity should disclose*

- a) *The names of the directors considered by the board to be independent directors;*
- b) *If a director has an interest, position, association or relationship of the type described in Box 2.3 (of the ASC Corporate Governance Principles & Recommendations) 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*
- c) *The length of service of each director.*

The Annual Report, which is part of the Directors' Report, sets out details of the Board, including their terms of office.

The Board assesses the independence of Directors annually. For this process, the Directors must provide all information relevant to this assessment. To assess the independence of each Director, a Director must be a non-executive, and the board considers whether the Director:

- a) Is, or has been, employed in an executive capacity by the business, and there has not been a period of at least three years between ceasing such employment and serving on the board, receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the business.
- b) Is or has been within the last three years a principal of a material customer, supplier, subcontractor, professional adviser, or consultant to the Company, or has an indirect association with same.
- c) Is, represents, or has been a substantial shareholder within the last three years or associated directly with a substantial shareholder.
- d) Has close personal ties with any person who falls within any of the categories described above or
- e) Has been a director of the entity for such a period that their independence from management and substantial shareholders may have been compromised.

The existing non-executive directors of the Company, have provided a declaration to the Company on their independence based on the above factors. This independence is based on discussions and decisions always:

- a) Providing an unbiased oversight, ensuring the best interests of all shareholders and the Company.
- b) Assuring commitment to and maintaining governance compliance and best practices.
- c) Focused on strategic advice and guidance to the executives.
- d) Emphasising their ability to ask challenging questions, providing valuable contributions

Based on these declarations, the Board has agreed that the existing non-executive directors continue to maintain their independence, with each contribution recognised and valued by all Board members. It is also important to ensure stability on the Board with the skills, experience and dynamics that currently exist. As the company transitions through the next stages of its growth plans, the Board will continually assess the independence of each non-executive director and consider the growing need for further skill and experience.

## *2.4 A majority of the Board of a listed entity should be independent directors.*

The Board currently comprises three independent Directors, representing 60% of the Board. Any future increase to the Board will be appropriate based on the size and complexity of the business. Importantly, the composition will provide representatives on the Board who have specialised experience and knowledge of the business.

## *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.*

The chairperson, Mr. Philip Suriano, is an independent director and does not hold the position of Chief Executive Officer. The board has assessed his independence in line with commentary under Principle 2.3.

## *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 roles as directors effectively.*

The Board offers all potential directors a period as a Board observer to ensure their suitability, experience and value, which are to be assessed by the Board before any formal appointment. During this period, they are allowed to engage with senior executives as required to understand the business operations, its history, culture, and key risks.

The ongoing professional development of Board members is considered by the Nomination Committee annually when assessing the Board for the appropriate mix of qualifications, skills, experience, expertise, and diversity required.

## **Principle 3: Instill a Culture of Acting Lawfully, Ethically and Responsibly**

A listed entity should instil and continually reinforce a culture of lawful, ethical, and responsible action across the organisation.

3.1 *A listed entity should articulate and disclose its values.*

LaserBond's values are published on our website: <http://www.laserbond.com.au/values.html>

3.2 *A listed entity should*

- a) *Have and disclose a code of conduct for its directors, senior executives and employees; and*
- b) *Ensure that the board or a committee of the board is informed of any material breaches of that code.*

It is the Board's responsibility to ensure an effective internal control framework exists. This includes internal controls to deal with the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Board assumes the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the effective management of the Company.

The Board may seek independent professional advice as required prior to making any business decisions that may affect the performance of the Company or its securities. Also, subject to the Chairperson's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

All directors, senior executives, and employees will:

- a) Act in the best interests of the entity;
- b) Act honestly and with high standards of personal integrity;
- c) Comply with the laws and regulations that apply to the entity and its operations;
- d) Not knowingly participate in any illegal or unethical activity;
- e) Not enter into any arrangement or participate in any activity that would conflict with the entity's best interests or that would be likely to negatively affect the entity's reputation;
- f) Not take advantage of the property or information of the entity or its customers for personal gain or to cause detriment to the entity or its customers; and
- g) Not take advantage of their position or the opportunities arising for personal financial gain.

3.3 *A listed entity should:*

- a) *Have and disclose a whistle-blower policy; and*
- b) *Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

LaserBond's Whistle-blower Protection Policy is published on our website: <http://www.laserbond.com.au/about-us/policies.html>

3.4 *A listed entity should:*

- a) *Have and disclose an anti-bribery and corruption policy; and*
- b) *Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

LaserBond's Anti-Bribery & Corruption Policy is published on our website: <http://www.laserbond.com.au/about-us/policies.html>

## **Principle 4: Safeguard the Integrity of Corporate Reports**

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

4.1 *The board of a listed entity should*

- a) *Have an audit committee which has at least three members (all of whom are non-executive directors and a majority of whom are independent directors) and is chaired by an independent director who is not the chair of the board; and*
- b) *disclose the charter of the committee, the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period including the individual attendances of the members at those meetings.*

The Audit Committee members comprise three independent directors, (Ian Neal, Philip Suriano and Dagmar Parsons), no executive directors, and is not chaired by the chairperson of the Board. The Audit Committee Charter is located on LaserBond's website - <https://www.laserbond.com/investor-relations/corporate-governance/>

The functions of the Committee are to review and make recommendations to the Board in respect of:

- a) The adequacy of accounting control systems and application of administrative, operating and accounting policies.
- b) The financial statements complying with appropriate accounting standards and presenting a true and fair view of the financial position and performance.
- c) The appropriateness of accounting judgments or choices exercised in preparing the financial statements.
- d) The review and approval of half-yearly and annual financial reports before release to the market.
- e) The appointment or removal of the external auditor.
- f) The rotation of the audit engagement partner.
- g) The scope and adequacy of the external audit.
- h) The independence and performance of the external auditor.
- i) The approval of the payment of external auditor's fees.
- j) Proposals for the external auditor to provide non-audit services and ensuring no compromise of their independence.

The Audit Committee has met twice during the reporting period, with 100% member attendance (at the time of the meeting), in conjunction with preparing the financial reports.

4.2 *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.*

The Board has received the appropriate declarations from its CEO and CFO related to this reporting period.

4.3 *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.*

If the Board releases a periodic corporate report to the market that is not audited or reviewed by an external auditor, it will disclose in the report itself the process by which they are satisfied the report is materially accurate.

## **Principle 5: Make Timely and Balanced Disclosure**

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

5.1 *A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*

Both the Chief Executive Officer (or equivalent) and Company Secretary (or equivalent) are responsible for ensuring that all disclosure requirements and full compliance is met, after review and approval of information to be disclosed by each board member.

5.2 *A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*

The Board as a group review and approve all Company announcements prior to release to the market. In addition, all board members receive automatic email notifications on all market announcements through the ASX Online platform.

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.*

The Board ensures that all presentation materials where any information likely to be disclosed has not already been disclosed to the market and would be expected to have a material effect on the price or value of securities (unless an exception to immediate disclosure exists as per ASX Listing Rule 3.1A) are released through the ASX Market Announcements Platform.

## **Principle 6: Respect the Rights of Security Holders**

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise those rights effectively.

6.1 *A listed entity should provide information about itself and its governance to investors via its website.*

The Company's website includes detailed information about itself and, through an investor relation link, its governance to investors.

6.2 *A listed entity should have investor relations program that facilitates effective two-way communication with investors.*

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs by issuing announcements to ASX, thereby complying with its continuous disclosure obligations. These announcements are made subsequent to any pertinent information being made known to the board or the Company. Each board member reviews and approves all announcements to ensure the information is disclosed accurately.

6.3 *A listed entity should disclose how it facilitates and encourage participation at meetings of security holders.*

The Board recommends and requests the participation of all shareholders at general meetings by formal, written notice of meetings. Where a shareholder is unable to attend a general meeting to exercise their right to ask questions about or make comments on the Management of the Company, the Board encourages these shareholders to submit questions to the Chief Executive Officer or Company Secretary in advance of the meeting to allow these questions and comments to be reviewed and added to the Chairperson's (or other directors) address at the general meeting.

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.*

The Chairperson, with the support of the Company Secretary, ensures that all votes for all resolutions, including substantive resolutions, are taken by a poll, including those votes received in advance of the meeting via proxy. The meeting may be postponed whilst a poll is taken.

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.*

The Company provides an email address of [corporate@laserbond.com.au](mailto:corporate@laserbond.com.au) for all shareholders to communicate directly. Shareholders may also direct our registry to provide materials via email.

## **Principle 7: Recognise and Manage Risk**

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

7.1 *A listed entity should have a committee or committees to oversee risk which has at least three members, a majority of whom are independent directors and is chaired by an independent director. The listed entity shall disclose the charter of the committee, the members of the committee and as at the end of each reporting period the number of times the committee met throughout the period, including the individual attendances at those meetings.*

The Risk Committee members comprise three independent directors (Ian Neal, Philip Suriano and Dagmar Parsons), no executive directors, and are chaired by an independent director. The Risk Committee Charter is located on LaserBond's website - <https://www.laserbond.com/investor-relations/corporate-governance/>

The functions of the Committee are to review and make recommendations to the Board in respect of:

- a) The design and implementation of a structured risk management framework that provides Management and the Board with comfort that all risks are being identified and managed effectively.
- b) The monitoring and evaluation of the risk management framework, and its effectiveness in minimizing risk that may adversely impact the business objectives or strategies.
- c) Ensuring the management of risk is integrated into the development of strategic and business plans, and the achievement of the Company's vision and values.
- d) The Corporate Governance Statement in the Annual Report
- e) Compliance with meeting its legal, regulatory, and statutory obligations.

The risk committee has met formally once during the reporting period. However, general Board meetings always consider risk, ensuring any potential or real risk is being managed appropriately.

**7.2 The board or a committee of the board should**

- 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
- b) Disclose, in relation to each reporting period, whether such a review has taken place.

The Risk Committee determines the Company's "risk profile" and approving the risk management strategy and policies, internal compliance, and internal controls. The committee's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management are recurring items for consideration by the Board. A risk review has been conducted during this reporting period.

**7.3 A listed entity should disclose if it has an internal audit function, how the function is structured and what role it performs.**

The Company has no formal internal audit function due to both the size of the Board and the business. However, the Risk Committee's role includes ensuring a systematic, disciplined approach to evaluating and continually improving the effectiveness of its risk management and internal control processes.

**7.4 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.**

The Company has no known material exposure to environmental and social risks.

## **Principle 8: Remunerate Fairly and Responsibly**

A listed entity should pay director remuneration sufficient to attract and retain high-quality directors and design its executive remuneration to attract, retain and motivate high-quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

**8.1 The board of a listed entity should have a remuneration committee, which has at least three members, a majority of whom are independent directors and is chaired by an independent director. The listed entity will also disclose the charter of the committee, the members of the committee and as at the end of each reporting period the number of times the committee met throughout the period, including the original attendances at those meetings.**

The Remuneration Committee members comprise three independent directors (Philip Suriano, Ian Neal and Dagmar Parsons), no executive directors, and is chaired by an independent director. The Remuneration Committee Charter is located on LaserBond's website - <https://www.laserbond.com/investor-relations/corporate-governance/>

The functions of the Committee are to review and make recommendations to the Board in respect of:

- a) The remuneration of the CEO, including the terms of the employment contract, conducted on an annual basis.
- b) The CEO's recommendations regarding remuneration for staff, ensuring alignment with market trends to retain staff and remain competitive.
- c) The CEO's performance and key performance indicators for the determination of short and long-term bonus components if applicable.
- d) Any incentive plans or ex-gratia payments to the CEO or other employees.
- e) Any grievances or complaints about remuneration.
- f) Diversity issues identified.
- g) The alignment of remuneration and incentive policies, practices, and performance indicators with the Board's vision, values, and overall business objectives.
- h) A review of remuneration categories including appropriateness of existing authorities as per the Delegated Authority Policy and adherence to said remuneration authorities.

The remuneration committee has met twice during the reporting period.

**8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive director and the remuneration of executive directors and other senior executives.**

The non-executive Directors do not receive performance-based bonuses.

The Company's constitution provides that the remuneration of non-executive Directors will be no more than the aggregate fixed sum determined by a general meeting. The current limit, which may only be varied by Shareholders in general meetings, is an aggregate amount of \$300,000 per annum.

The remuneration of executive directors and other senior executives is reviewed and determined by the Remuneration Committee. When establishing and reviewing the remuneration of Directors and Senior Management, the group will apply the broad principles of a fair and equitable standard of remuneration commensurate with the qualifications and experience each member brings to the Company. The Remuneration Committee members who have a direct or vested interest in the establishment and review of remuneration will be excluded from the process.



The Remuneration Committee, during the 2024 fiscal year, has been improving the company's remuneration framework, intending to introduce both short-term (STI) and long-incentives (LTI) for the CEO and senior management from the 2025 fiscal year. The policies around these STIs and LTIs are being developed based on reasonable incentive values per industry peer comparable remuneration, with:

a) STIs

To 30 June 2024, no KMP was entitled to remuneration in the form of an STI. The remuneration committee has been considering the introduction of STIs for KMPs for 2025. The STI policy remains subject to consideration by the remuneration committee; however, a policy will be implemented. The STI policy will be based on performance to certain key performance indicators (KPIs), which will include a profit performance gateway as part of the financial performance hurdles, safety, and individual KPIs. It is expected to be payable annually in cash.

b) LTIs

To 20 June 2024, no KMP was entitled to remuneration in the form of an LTI. The remuneration committee has been considering the introduction of LTIs for KMPs for 2025. The LTI remains subject to final consideration by the remuneration committee; however, a policy will be implemented, subject to all necessary approvals. The LTI policy will focus on achieving long-term goals and supporting the retention of KMPs based on performance metrics, including earnings per share growth and return on capital employed measures. This policy is expected to be based on a three-year performance period, with annual vesting in cash or equity (at the Board's discretion). An equity-based scheme that is developed will be placed before shareholders to seek their approval.

**8.3** *A listed entity which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme. The listed entity shall also disclose that policy.*

The Company has one approved equity-based remuneration scheme, a tax-exempt employee share plan to recognise an employee's efforts by awarding up to \$1,000 tax-free shares annually. Employees are entitled to participate in the scheme after three continuous years of full-time or part-time employment. The shares are issued at the ASX closing price on the day the board formally approves any issue. No employee can enter into any agreement limiting their economic risk on shares issued through this scheme.