

# CORPORATE GOVERNANCE STATEMENT

## INTRODUCTION

The Board is committed to Keybridge Capital Limited (Keybridge, KBC or the Company) and the entities it controls (Group or Keybridge Group) operating effectively and in the best interests of its shareholders. The Board has followed the principles and best practice recommendations established by the ASX Corporate Governance Council having regard to the nature of the Company's activities and its size.

The Board of Directors supports the Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) (ASX Recommendations) developed by the ASX Corporate Governance Council (Council).

The Company's practices are largely consistent with the ASX Recommendations. The Board considers that the implementation of a small number of ASX Recommendations is not appropriate, for the reasons set out below in relation to the items concerned. The Board uses its best endeavours to ensure that exceptions to the ASX Recommendations do not have a negative impact on the Company or the best interests of shareholders as a whole.

As required by the [ASX Listing Rules](#), this Corporate Governance Statement (CGS) discloses the extent to which the Company has followed the ASX Recommendations during the 2023 financial year (Reporting Period), as summarised below:

<b>ASX Corporate Governance Principles and Recommendations</b>	<b>CGS Reference</b>
Principle 1 – Lay solid foundations for management and oversight	1.1 - 1.7
Principle 2 – Structure the Board to be effective and add value	2.1 - 2.6
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly	3.1 – 3.4
Principle 4 – Safeguard the integrity in corporate reports	4.1 - 4.3
Principle 5 – Make timely and balanced disclosure	5.1 – 5.3
Principle 6 – Respect the rights of security holders	6.1 - 6.5
Principle 7 – Recognise and manage risk	7.1 - 7.4
Principle 8 – Remunerate fairly and responsibly	8.1 - 8.3

The Company has also prepared an ASX Appendix 4G – Key to Corporate Governance Disclosures (which reports on the Company's compliance with each of the ASX Recommendations) – this has been lodged with the CGS on ASX and may be viewed and downloaded from the Company's website (details below).

A copy of the ASX Recommendations can be found on the ASX website.

The Company's latest Annual Report (and other ASX market announcements and releases) may be viewed and downloaded from the Company's website at the following URL: <http://www.keybridge.com.au>

The Corporate Governance page of the Keybridge website contains most of the charters, codes and policies which are referred to in this CGS, at the following URL: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

The names of the Chairman, Managing Director, Non-Executive Directors and the Company Secretary currently in office and their qualifications, experience and positions in other listed companies are stated in the Company's latest Annual Report.

*Approved by the Board and current as at 28 September 2023*

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## PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### 1. Role and Responsibilities of the Board of Directors and Senior Management

#### 1.1.1. Board of Directors

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole.

The Board also seeks to ensure that the Company complies with all its contractual, statutory and any other legal and regulatory obligations. The Board has the final responsibility for the successful operation of the Company. Where the Board considers that particular expertise or information is required, which is not available from within its members, appropriate external advice may be taken and reviewed prior to a final decision being made by the Company.

Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the matters set out below, subject to delegation to Senior Management as specified elsewhere in this CGS or as otherwise appropriate:

- (a) formulation and approval of the strategic direction, objectives and goals of the Company;
- (b) the prudential control of the Company's finances and operations and monitoring the financial performance of the Company;
- (c) the resourcing, review and monitoring of Senior Management;
- (d) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- (e) the identification of significant business risks and ensuring that such risks are adequately managed;
- (f) the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market; and
- (g) the establishment and maintenance of appropriate ethical standards.

The Company also has a [Board Charter](#) which seeks to promote standards of corporate governance, clarify the roles and responsibilities of the Board and enable the Board to provide strategic guidance for the Company and effective management oversight. The [Board Charter](#) may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

#### 1.1.2. Senior Management

The role of Senior Management is to deliver the strategic direction and goals determined by the Board.

The Board has delegated to the Managing Director, and through the Managing Director to other Senior Executives (as applicable), responsibility for the day-to-day management of the Group, which includes:

- (a) management of the Group's operations and finances;
- (b) reporting to the Board on matters including the Group's operations and financial performance;
- (c) recommending Group strategy, budgets, plans, policies and risk management systems to the Board; and
- (d) determining Group policies, other than those reserved for the Board.

Senior Management may also be delegated responsibility for other matters under policies adopted by the Board.

The Company's Senior Management Team comprises:

- Managing Director and Chief Executive Officer, Nicholas Bolton (appointed Chief Executive Officer on 28 May 2019 and Managing Director on 13 October 2019);
- Corporate Legal Counsel, Anthony Loizou; and
- Company Secretary, John Patton (appointed on 13 October 2019).

### 1.2. Board Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company (as detailed in the Board Skills Matrix

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referred to in Section 2.1 below) and procedures outlined in the Company's [Constitution](#) and the [Corporations Act 2001 \(Cth\)](#).

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.

The Company gives shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the notice of the meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.

## 1.3. Terms of Appointment – Directors and Senior Executives

Each new Non-Executive Director will receive a letter formalising their appointment and outlining the material terms of their appointment including: the time commitment expected; the requirement to disclose their interests and matters affecting their independence to the Company; the obligation to comply with key Company policies, including the [Board Charter](#), [Diversity Policy](#), [Corporate Code of Conduct](#), [Code of Conduct for Directors and Senior Executives](#), [Related Party Policy](#) and [Securities Trading Policy](#); the Company's policy on Directors seeking independent advice; the policy in relation to the payment of additional remuneration in respect of special exertions undertaken by the Director (at the request of the Company) and the retirement requirements (subject to the right to seek re-election at the Company's Annual General Meeting). In addition, the Company has established a Whistleblower Policy and Anti-Bribery and Corruption Policy which can be found on the Company's website.

In addition, the Company and each Director are party to Director's Access, Indemnity and Insurance Deeds, discussed in more detail in Section 2.15 below. The Non-Executive Directors of the Company have not been appointed for a fixed term.

The Board has appointed a Company Secretary who is directly accountable to the Board. The Board has outsourced the accounting and tax functions to an external independent accounting firm.

Senior Executives will generally have written employment agreements with the Company setting out their duties, obligations and remuneration. The Company's current Senior Executives during the current financial year were Nicholas Bolton, Anthony Loizou and John Patton (Company Secretary). The Company has entered into a formal employment agreement with the Nicholas Bolton as a Chief Executive Officer, a summary of which is outlined within the Remuneration Report in the Company's latest 2023 Annual Report.

The remuneration paid/payable to the Company's '[Key Management Personnel](#)' are outlined within the Remuneration Report in the Company's latest Annual Report.

The Company's [Constitution](#) requires that at every Annual General Meeting (**AGM**), any director who has been appointed by the Board since the last AGM or who held office at the time of the preceding two AGMs and did not retire at either of them, shall retire from office and will be eligible to stand for re-election by shareholders. If no director would otherwise be required to submit for election or re-election under this rule and the ASX Listing Rules require that an election of directors be held, the director to retire at the AGM is the director who has been longest in office since their last election or appointment. The initial appointment and last re-election dates of each current Director are listed below.

Director	Position	Independent	First Appointed	AGM Last Re-elected
John Patton	Non-Executive Chairman	No	9 June 2023	N/A
Jeremy Kriewaldt	Non-Executive Chairman	Yes	13 October 2016 (Retired 9 June 2023)	24 January 2022 (2021 AGM)
Antony Catalano	Non-Executive Director	Yes	16 April 2020	21 November 2022 (2022 AGM)
Nicholas Bolton	Managing Director	No	13 October 2019	N/A

## 1.4. The Company Secretary

The Company Secretary of the Company is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board. The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees.

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The role of the Company Secretary includes advising the Board and its Committees on governance matters; monitoring that Board and Committee policies and procedures are followed; co-ordinating the timely completion and despatch of Board and Committee papers; ensuring that the business at Board and Committee meetings is accurately captured in the minutes; helping to organise and facilitate the induction and professional development of Directors.

Each Director can communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a Company Secretary is made or approved by the Board.

## 1.5. Diversity

The Company has adopted a [Diversity Policy](#) that aims to promote diversity across the Group through a number of initiatives.

The Company's objective is to promote a culture that draws on the diverse and relevant experience, skills, expertise, backgrounds and perspectives of its Directors and personnel. It recognises the importance of gender diversity within its Board and management team.

The Board, Senior Management and personnel of the Company/Group currently comprises individuals that are culturally diverse, together with possessing an appropriate blend of qualifications and skills. The Company recognises the positive advantages of a diverse workplace and is committed to:

- (a) creating a working environment conducive to the appointment of well-qualified personnel, Senior Management and Board candidates; and
- (b) identifying ways to promote a corporate culture which embraces diversity.

The Diversity Policy provides for the Board to:

- (a) set measurable objectives to promote gender diversity and review the objectives on an annual basis;
- (b) evaluate the Group's performance against any set measurable objectives as part of the annual review of the effectiveness of the policy; and
- (c) review the proportion of women employed within the Group at least annually.

It is the responsibility of all personnel to understand and comply with the Diversity Policy.

The small size of, and low turnover within, the Company's workforce is such that it cannot realistically be expected to reflect the degree of diversity of the general population. Given those circumstances, and the current nature and scale of the Company's activities, the Board has determined that it is not practicable to set measurable objectives for achieving gender diversity at this time. The Board monitors the extent to which the level of diversity within the Company is appropriate on an ongoing basis and periodically considers measures to improve it. The Board will further consider the establishment of objectives for achieving gender diversity as the Company develops and its circumstances change.

The Board has delegated the responsibility of monitoring and ensuring workplace diversity to the Managing Director.

The Company does not currently have any women on the Board or in Senior Executive roles within the Group. "Senior Executive" means the Chief Executive Officer, Executive Directors (if any) and a member of Senior Management that directly reports to the Chief Executive Officer. In this regard, it is noted that the Company has three members on its Board and two other senior executives. As at 30 June 2023, ~20% of the Group's personnel (including Directors and consultants) were female.

The [Diversity Policy](#) may be viewed and downloaded from the Company's website:  
[http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

## 1.6. Board - Performance Review and Evaluation

The Board has responsibility to review its own performance, the performance of individual Directors and the performance of Board Committees.

To determine whether it is functioning effectively, the Board shall:

- review its Corporate Governance Charter annually; and
- perform an evaluation of the Board's performance at intervals considered appropriate.

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## 1.7. Senior Executive - Performance Review and Evaluation

The Chief Executive Officer oversees the evaluation of the remuneration of the Company's senior executives.

The Board determines the remuneration benefits (including equity-based remuneration) of senior executives and advise on those determinations.

## PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

### 2.1. Board of Directors – Composition, Structure and Process

The Board has been formed so that it has an effective composition, size and commitment to adequately discharge its responsibilities and duties given the current size and the scale and nature of the Company's activities. The Directors periodically review whether the size and composition of the Board remains appropriate to the Company's activities and operating environment.

Due to the size and composition of the Company's Board (comprising the Managing Director and two Non-Executive Directors) the Board does not have a stand-alone Nomination Committee or RNC.

Recommendations of candidates for new directors are made by the directors for consideration by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered. If a candidate is recommended by a director, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board and the candidate's availability to commit to the Board's activities. If these criteria are met and the Board appoints the candidate as a director, that director must retire at the next following Annual General Meeting of Shareholders and will be eligible for election by shareholders at that Annual General Meeting. As the Company grows and develops, it will review the merits of establishing a formal Nomination Committee. Until then the Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for the committee.

The names of the Chairman and other Directors in office and their qualifications, experience and positions in other listed companies are stated in the Company's latest 2023 Annual Report. A Director is generally initially appointed by the Board and retires (and may stand for re-election) at the next AGM after their appointment (as outlined in Section 1.3 above).

### 2.2. Board Skills Matrix

The Company supports the appointment of directors who bring a wide range of business, investment and professional skills and experience. The mix of skills represented on the Board as at 30 June 2023 is as follows:

Category	Skill/Quality	Level
Professional skills	Leading and managing	Very strong
	Corporate governance	Strong
	Strategy	Very strong
	Financial	Very strong
	Audit, risk and compliance management	Strong
	Investment management	Very strong
	Investor relations	Strong
	Financial Services	Strong

### 2.3. Skills, Knowledge and Experience

The Board seeks to ensure that its members have an appropriate mix of skills, knowledge and experience to enable it to properly perform its responsibilities and be well equipped to navigate the Company through the many opportunities and challenges it faces.

Directors are appointed based on the specific business, corporate and governance skills and experience required by the Company. The Board recognises the need for Directors to have a relevant blend of skills and personal experience in a range of disciplines required for the proper management and oversight of the Company's operations, having regard to the scale and nature of its activities.

While recognising that each Director will not necessarily have experience in each of the following areas, the Board seeks to ensure that its membership includes an appropriate mix of Directors with experience in the financial/investments sector, capital markets, general management, accounting and finance and corporate affairs.

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The diverse qualifications, skills and experiences of the Directors, disclosed in the Company's latest Annual Report, represents a mix that the Board believes is appropriate to have reflected among its members. The Board reviews its capability at least annually.

## 2.4. Chairman

The Chairman leads the Board and has responsibility for ensuring that the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. The Non-executive Chairman is John Patton (appointed Director on 9 June 2023 and Chairman on 15 June 2023) following the resignation of Jeremy Kriewaldt (retired on 9 June 2023, having initially been appointed as a Director on 13 October 2016 and as Chairman on 30 October 2020), whose qualifications, experience and positions in other listed companies are stated in the Company's latest 2023 Annual Report. The Company has a Managing Director and Chief Executive Officer (CEO). The Board has determined that the CEO is the appropriate person to perform the role in signing the declaration relating to the statutory accounts under [section 295A](#) of the Corporations Act and as per the ASX Recommendations (refer Section 4.2 below).

The Company's principal business is to invest shareholders' funds in accordance with the Company's investment mandate, investment strategies (refer Section 1.8) and delegations of financial authority. All material investment decisions require the approval of either the Chief Executive Officer or the Board.

The Board believes that the benefits to shareholders of having an independent Non-Executive Chairman who is separate from an appointed Managing Director/CEO do not outweigh the disadvantage of the real or perceived divergence of command, and the additional remuneration and administrative expenses involved.

## 2.5. Managing Director/CEO

The Company appointed a CEO (Nicholas Bolton) on 28 May 2019.

Nicholas Bolton was also appointed Managing Director on 13 October 2019.

The CEO signed the declaration relating to the (30 June 2023) statutory accounts under section 295A of the Corporations Act and as per the ASX Recommendation (refer Section 4.2 below).

## 2.6. Executive Director

The Company has an Executive Director, being Nicholas Bolton (appointed CEO on 28 May 2019; appointed Managing Director on 13 October 2019).

## 2.7. Non-Executive Directors

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that a Non-Executive Director can offer.

The Board currently had a majority of Non-Executive Directors during the 2023 financial year and currently:

- John Patton (appointed Director on 9 June 2023 and Chairman on 15 June 2023);
- Jeremy Kriewaldt (retired on 9 June 2023; appointed 13 October 2016; re-elected at the AGM on 24 January 2022); and
- Antony Catalano (appointed 16 April 2020; re-elected at the AGM on 21 November 2022).

The above Non-Executive Directors' qualifications, experience and positions in other listed companies are stated in the Company's latest 2023 Annual Report.

The Board is satisfied that the Non-Executive Directors bring an independent discretion to their deliberations, unaffected by the executive status of the Managing Director.

## 2.8. Independence

An independent Director, in the view of the Company, is a Non-Executive Director who:

- (a) has not previously been employed in an Executive capacity within the Group, unless a period of at least three years has elapsed between ceasing such employment and serving on the Board;
- (b) is not and has not within the last three years been a principal or senior personnel of a material professional adviser to the Group;
- (c) is not and has not within the last three years been in a material business relationship (e.g. supplier or customer) with the Group, or an officer of or otherwise associated with someone with such a relationship;

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- (d) is not a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company;
- (e) has no material contractual relationship with the Company other than as a Director of the Company;
- (f) has no close family ties with any person who falls within any of the categories described above; and
- (g) has not been a Director of the Company for such a period that his or her independence may have been compromised. There is no specified length of service beyond which a Director is no longer considered independent. The Board regularly assesses whether any, otherwise independent, Director who has served for more than 10 years may no longer be regarded as independent.

In the case where any of the above interests, positions or relationships exist, the Company assesses its materiality to determine whether it might interfere, or reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board assesses the independence of Directors annually, or more frequently if circumstances require.

John Patton (appointed 9 June 2023) is not regarded as an independent, Non-Executive Chairman.

Jeremy Kriewaldt (retired 9 June 2023; appointed 13 October 2016; re-elected at AGM on 24 January 2022) was regarded as an independent, Non-Executive Chairman.

Nicholas Bolton (appointed CEO on 28 May 2019; appointed Managing Director on 13 October 2019; previously served as a Director between 30 December 2011 and 9 October 2012 and between 2 January 2013 and 17 December 2015 (as Executive Director from 22 February 2013 and as Managing Director from March 2014)) is not regarded as an independent Director.

Antony Catalano (appointed 16 April 2020; re-elected at AGM on 21 November 2022) is regarded as an independent Non-Executive Director.

The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

Under the Company's [Board Charter](#), a director who has been appointed at the request of or by virtue of a nomination from a significant shareholder is subject to the same duties as any other director, including to act in the best interests of the Company, to avoid/manage conflicts of interests and to recognise and maintain the confidentiality of the Company's information and, in particular, information that is, or may be, price sensitive, and to not communicate information to the significant shareholder without the consent of the Chairman/Board (as appropriate).

## 2.9. Induction and Professional Development

It is the policy of the Board to ensure that the Directors and Senior Management of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed. The Board reviews, at intervals considered appropriate, whether the Directors, as a group, have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board effectively.

The Company has a programme for inducting new Directors. This includes giving new Directors a full briefing about the nature of the business, current issues, the corporate strategy and the expectations of the Board concerning the performance of Directors and access to all personnel to gain full background on the Company's operations.

Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors, at the Company's expense (as approved by the Chairman and or the Board, as appropriate and applicable).

## 2.10. Meetings of the Board

The Board holds meetings whenever necessary to deal with specific matters requiring attention. Directors' Circulatory Resolutions are also utilised where appropriate either in place of or in addition to formal Board meetings. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

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It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity, provided that these commitments do not materially interfere with their ability to serve as a Director of the Company.

## 2.11. Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- (a) disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director or his duties to any other parties and the interests of the Company in carrying out the activities of the Company; and
- (b) if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act). In appropriate matters, a director affected by such a conflict may also be excluded from the circulation of information provided to other directors in relation to that matter. Such an 'information barrier' is monitored by the Company Secretary.

Also refer to the Company's [Board Charter](#), [Corporate Code of Conduct](#), [Code of Conduct for Directors and Senior Executives](#) and [Related Party Policy](#), which may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

## 2.12. Related-Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholders' approval for the related party transaction, the Board may not approve the transaction. The Company also discloses related party transactions in its Annual Report as required under the Corporations Act and relevant Accounting Standards.

Also refer to the Company's [Board Charter](#), [Corporate Code of Conduct](#), [Code of Conduct for Directors and Senior Executives](#) and [Related Party Policy](#), which may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

## 2.13. Share Dealings and Disclosures

The Company has adopted a [Securities Trading Policy](#) (adopted on 5 April 2017), which applies to Directors and personnel of the Group and contractors who have agreed to be bound by the policy. The policy is designed to:

- (a) explain the type of conduct in relation to dealings in the Company's securities that is prohibited under the relevant law and by the Group, including insider trading; and
- (b) establish a procedure for buying, selling or otherwise dealing in the Company's securities (generally and during specified prohibited periods) which requires (in the case of 'Executive Personnel') the prior approval from the Chairman of the Board or the Chairman of the AFRC Board, as appropriate. Approval during prohibited periods will only be granted where there is severe financial hardship or exceptional circumstances.

A copy of the Company's [Securities Trading Policy](#) may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

## 2.14. Independent Professional Advice

Subject to prior approval by the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as a Director.

## 2.15. Company Information and Confidentiality

All Directors have the right of access to all relevant Company books and to Senior Executives, except where a conflict of interest affecting that Director leads means that an information barrier affecting him is established, in which case the relevant access is denied until that conflict of interest ceases to operate. In accordance with legal requirements and agreed ethical standards, Directors and personnel of the Company have agreed to keep confidential all information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.



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Also refer to the Company's [Board Charter](#), [Corporate Code of Conduct](#) and [Code of Conduct for Directors and Senior Executives](#), which may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

## 2.16. Directors' and Officer's Access, Indemnity and Insurance Deeds

The Company has also entered into a deed with each of the current Directors and the Company Secretary to regulate certain matters between the Company and each officer, both during the time the officer holds office and after the officer ceases to be an officer of the Company (or of any of its wholly-owned subsidiaries). A summary of the terms of such deeds is contained within the Company's latest Annual Report.

## PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

### 3.1. Codes of Conduct

The Company has developed a [Corporate Code of Conduct](#) and a [Code of Conduct for Directors and Senior Executives](#), which may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

The Company has developed a number of policies to ensure that the Group is mindful of and complies with the guidelines for ethical and responsible decision-making. Those policies require that, at all times, all Group personnel act with the highest levels of integrity and objectivity in their relationships with the Group's stakeholders and in compliance with the letter and the spirit of the law and Company policies.

The Company's over-arching policy is its Corporate Code of Conduct. The Corporate Code of Conduct supports the Code of Conduct for Directors and Senior Executives which articulates the high standards of honesty, integrity and ethical and law-abiding behaviour expected of people in positions of influence.

Key issues addressed in these Codes of Conduct include:

Corporate mission and goals	<p>The Company has been largely cleansed of problematic and underperforming legacy assets and has significant available tax losses. The Company's current mission is to create value for its shareholders through the identification of appropriate risk-weighted investment opportunities. Key elements in achieving this mission include:</p> <ul style="list-style-type: none"> <li>• protecting the value of investments;</li> <li>• managing risk;</li> <li>• maintaining strong relationships with key stakeholders;</li> <li>• ensuring ongoing financial stability; and</li> <li>• retaining a high-quality team.</li> </ul>
Responsibility to shareholders and investors	<p>The Company seeks to:</p> <ul style="list-style-type: none"> <li>• serve and protect the long-term interests of its shareholders and investors;</li> <li>• communicate openly, honestly and on a timely basis with its shareholders and the financial markets generally; and</li> <li>• ensure that financial disclosure to shareholders and other investors is based on best practice and complies with all relevant laws, regulations and rules.</li> </ul>
Honesty and fairness	<p>The Company will act honestly and fairly in all of its dealings. This includes:</p> <ul style="list-style-type: none"> <li>• honouring contractual commitments;</li> <li>• avoiding profiting from situations in which it has a conflict of interest;</li> <li>• where conflicts of interest arise, the Company uses its best endeavours to ensure disclosure to all relevant parties; and</li> <li>• The Company and its personnel not offering or accepting bribes or secret commissions.</li> </ul>
Responsibilities to the community	<p>The Company may engage in support for community activities, including donations and sponsorship activities that are reasonable for a company of its size and financial resources.</p>
Regulatory compliance	<p>The Company does, and will continue to, comply with all relevant laws, regulations and rules governing its activities in Australia and other jurisdictions in which it may</p>

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	operate.
Responsibilities to the individual	<p>The Company seeks to ensure that:</p> <ul style="list-style-type: none"> <li>• employment practices are consistent with market practice and all relevant employment laws, regulations and rules; and</li> <li>• privacy of employees is respected and any confidential or privileged employee information in its possession is not misused.</li> </ul>
Compliance	<p>It is expected that Senior Executives and other employees will report promptly and in good faith, any actual or suspected violation of the standards, requirements or expectations set out in the Corporate Code of Conduct or the Code of Conduct for Directors and Senior Executives and encourage others to do the same. The latter Code requires that all reports of any violation or unethical behaviour must be investigated thoroughly, the rules of natural justice are observed, and appropriate disciplinary action is taken if an allegation is substantiated.</p>

While the Codes seek to prescribe standards of behaviour for all Group personnel to observe, it does not, and understandably cannot, identify every ethical issue that an individual might face. The Codes' objective is to provide a benchmark for professional and personal behaviour throughout the Group, to safeguard the Group's reputation and to make clear the consequences of breaching the Codes.

All Group personnel receive a copy of the Codes when they start with the Group and can access the Codes from the Company's website or request a copy from their reporting manager or the Company Secretary.

The Company has also developed a Whistleblower Policy and Anti-Bribery and Corruption Policy, both of which were approved by the Board on 6 January 2022.

## PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTS

### 4.1. Audit, Finance and Risk Committee (AFRC)

Due to the size and composition of the Company's Board (comprising the Managing Director and two Non-Executive Directors) the Board does not have a stand-alone Audit, Finance and Risk Committee.

The Board believes the individuals on the current Board can make and do make quality and informed judgements.

William Buck Audit (Vic) Pty Ltd is the current external auditor for the Company. The Board reviews the results of the external audit process of the Company to ensure:

- The Company auditor are appropriately qualified and legally eligible to act at all times;
- The terms of their appointment are appropriate and accord with the Corporations Act 2001; and
- The auditors have access to all relevant information as required.

In accordance with section 295A of the Corporations Act 2001, the Chief Executive Officer has declared in writing to the Board that the financial records of the Company for the financial year have been properly maintained and the Company's financial statements present a true and fair view of the financial position and performance and are in accordance with relevant accounting standards.

The external auditors are invited to attend Board meetings where financial reports and audits are discussed.

### 4.2. CEO Declarations

The Board receives, prior to their approval of the Company's financial statements for a financial year end, written assurance from the Chief Executive Officer that the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively, as required under [section 295A](#) of the Corporations Act and as per the ASX Recommendations.

### 4.3. External Auditor

The Company's external auditor (Auditor) is selected for its professional competence, reputation and the provision of value for professional fees. Within the audit firm, the partner responsible for the conduct of the Company's audits is rotated every five years. The external Auditor attends the Company's AGMs (in person or by teleconference) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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The performance of the external auditor is reviewed at intervals considered appropriate. In addition, the Board will periodically invite the incumbent auditor and other acceptable audit firms to submit proposals for the provision of statutory audit services to the Group. The Board will assess proposals on the basis of the firms' understanding of the Company's business and its needs, their capacity for proactive and positive contribution to the efficiency and effectiveness of the Company's business operations and the demonstrated knowledge and teamwork of the audit team.

## PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

### 5.1. Continuous Disclosure to ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to ASX as well as communicating with ASX.

In accordance with the Corporations Act and ASX Listing Rule 3.1, the Company immediately notifies ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities, subject to exceptions permitted by that rule. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

All staff are required to inform their reporting manager of any potentially price-sensitive information concerning the Company as soon as they become aware of it. Reporting managers are in turn required to inform the Managing Director of any potentially price-sensitive information.

In general, the Company will not respond to market speculation or rumours unless required to do so by law or by the ASX Listing Rules.

The Company may request a trading halt from ASX to prevent trading in its securities if the market appears to be uninformed. The Managing Director and, where the Managing Director is not available, the Company Secretary (in consultation with the Board) are authorised to determine whether to seek a trading halt.

## PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

### 6.1. Website Information

All public information about the Company and its governance is available to investors on the Company's website ([www.keybridge.com.au](http://www.keybridge.com.au)). The website includes an easily located link to a "Corporate Governance" page, from which all relevant governance information can be accessed:  
[http://www.keybridge.com.au/corporate\\_governance.php](http://www.keybridge.com.au/corporate_governance.php)

The Company's website contains all announcements and financial and other reports lodged on ASX; notices of shareholder meetings, explanatory statements and meeting results; Director biographies, Company and share registry contact information, shareholder forms and a range of other information about the Company's affairs.

The Company's announcements and reports lodged on ASX may also be viewed and downloaded from the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX code: [KBC](#).

### 6.2. Investor Relations Programme

The Company is owned by its shareholders. Increasing shareholder value is the Company's key mission. Shareholders require an understanding of the Company's operations and performance to enable them to be aware of how that mission is being fulfilled. The Directors are the shareholders' representatives. In order to properly perform their role, the Directors must be able to ascertain the shareholders' views on matters affecting the Company.

The Board therefore considers it paramount to ensure that shareholders are informed of all major developments affecting the Company and have the opportunity to communicate their views on the Company to the Board. The Board has designed and implemented an Investor Relations Programme to meet these objectives. The Investor Relations Programme involves the communication of information to shareholders and the market through various means including:

- (a) monthly net asset backing announcements released to ASX, which are posted on the Company's website
- (b) the Annual Report which is distributed to shareholders if they have elected to receive a printed version and is otherwise available for viewing and downloading from the Company's website;

# CORPORATE GOVERNANCE STATEMENT

- (c) the AGM and other general meetings (the notices for which are available for viewing and downloading from the Company's website) called in accordance with the Corporations Act and to obtain shareholder approvals as appropriate. The Chairman gives an address at the AGM updating shareholders on the Company's activities;
- (d) Half-Yearly Directors' and Financial Reports, which are available for viewing and downloading from the Company's website; and
- (e) other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders, which are available for viewing and downloading from the Company's website.

The Managing Director (and/or the Company Secretary, where appropriate) has general responsibility to speak to the media, investors and analysts on the Company's behalf. Other Directors or Senior Executives may be given a brief to do so on particular occasions (where appropriate).

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements lodged on ASX may be viewed and downloaded from its website: [www.keybridge.com.au](http://www.keybridge.com.au) or the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX codes: [KBC](http://www.asx.com.au).

## 6.3. Shareholder Meeting Participation

The AGM facilitates investor communications, by means which include:

- (a) shareholders having the opportunity to ask questions of Directors at all general meetings;
- (b) the presence of the Auditor at AGMs (in person or by teleconference, as practicable and appropriate) to take shareholder questions on any issue relevant to their capacity as Auditor;
- (c) the Company's policy of expecting Directors to be available to meet shareholders at the AGM; and
- (d) the Company making Directors and Senior Executives available to answer shareholder questions submitted by telephone, email and other means (where appropriate).

The Board encourages shareholder participation at the Company's AGM and other general meetings of shareholders - questions and or comments are welcomed from shareholders and the Chairman seeks to ensure that shareholders are given ample opportunity to participate. Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company or to the Auditor (in the case of the AGM).

## 6.4. Electronic Communication

Shareholders may send communications to and receive communications from the Company and its Share Registry electronically. The contact email addresses for the Company and its Share Registry are [info@keybridge.com.au](mailto:info@keybridge.com.au) and [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au) respectively.

Shareholders may elect to receive Annual Reports and Notices of Meetings electronically via the Share Registry.

## PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

### 7.1. Risk Committee

As a consequence of the size and composition of the Company's Board (comprising the Managing Director and two Non-Executive Directors) the Board does not have a stand-alone Risk Committee.

### 7.2. Internal Control and Risk Management

The Board of Directors is responsible for the overall internal control framework (which includes risk management) and oversight of the Company's policies on and management of risks that have the potential to impact significantly on operations, financial performance or reputation.

The Board recognises that no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified and experienced service providers and suitably qualified and experienced management personnel. The effectiveness of the system is monitored and continually reviewed by management on an on-going basis and at least annually by the Board. On a day-to-day basis, managing the various risks inherent in the Company's operations is the responsibility of the Managing Director in conjunction with the Company Secretary. Risks facing the Company can be divided into the broad categories of operations, compliance and market risks.

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Operations risk refers to risks arising from day-to-day operational activities which may result in direct or indirect loss from inadequate or failed internal processes, decision-making, exercise of judgment, people or systems or external events. The Managing Director and the Company Secretary have delegated responsibility from the Board for identification of operations risks generally, for putting processes in place to mitigate them and monitoring compliance with those processes.

The Company has clear accounting and internal control systems to manage risks to the accuracy of financial information and other financial risks.

Compliance risk is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on the Company's business, reputation and financial condition. The Company's compliance risk management strategy ensures compliance with key legislation affecting the Company's activities. A key principle of the Company's compliance risk management strategy is to foster an integrated approach where 'line managers' are responsible and accountable for compliance, within their job descriptions and within overall guidance developed by the Managing Director (assisted by relevant Senior Executives (as appropriate and applicable)). The Company's compliance strategy is kept current with advice from the Company Secretary, senior external professionals and the ongoing training of Senior Executives and other senior personnel involved in compliance management. The Company Secretary has oversight responsibility for managing the Company's compliance risk.

The Company has policies on responsible business practices and ethical behaviour, including conflict of interest and share trading policies, to maintain confidence in the Company's integrity and ensure legal compliance.

The material economic risks to which the Company is exposed principally consist of market risks. Market risk encompasses risks to the Company's performance from changes in equity prices, interest rates, currency exchange rates, capital and debt markets and economic conditions generally. The CEO acts as the first line in managing this risk, under the supervision of its Board. The Board regularly assesses the Company's exposure to these risks and the Board sets the strategic direction for managing them.

As an investment company (predominantly) the Company has no direct material exposure to environmental or social sustainability risks. There is potential for indirect material exposure to environmental, social sustainability and economic risks through the entities in which the Company invests. The CEO regularly reviews existing and proposed material investments. These reviews include assessing whether entities in which the Company has, or is considering making, material investments have exposure to material environmental, social sustainability, economic and other risks. These risks are taken into account as part of the process of determining whether to make, maintain or dispose of any given material investment.

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions. The Managing Director and Company Secretary have reported to the Board as to the effectiveness of the Company's management of its material business risks and internal controls.

### 7.3. Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.

The Board performs all key elements of an internal audit function, including:

- (a) evaluating and seeking and obtaining reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Company's objectives and goals to be met;
- (b) evaluating information security and associated risk exposures;
- (c) evaluating regulatory compliance programmes with consultation from internal and external legal counsel;
- (d) evaluating the Company's preparedness in case of business interruption; and
- (e) providing oversight of the Company's anti-fraud programmes.

The Board delegates to one or more Senior Executives (as appropriate and applicable) the authority to implement any non-strategic amendments to risk management systems required as a result of changed circumstances, or where the potential for improvement has been identified; reporting all such matters to the Managing Director promptly, and to the Board for consideration at its next meeting. The Board may also seek recommendations from appropriate Senior Executives where strategic changes to risk management and internal control processes are required.

# CORPORATE GOVERNANCE STATEMENT

## PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

### 8.1. Remuneration and Nomination Committee (RNC)

As a consequence of the size and composition of the Company's Board (comprising the Managing Director and two Non-Executive Directors) the Board does not have a stand-alone Nomination Committee or a RNC as per the ASX Recommendations.

### 8.2. Remuneration Policies

Details of the Company's remuneration and nomination policy are contained in the Remuneration Report within the Company's latest Annual Report.

### 8.3. Equity Based Remuneration Scheme

The Company has an ESP which was approved by shareholders at the 2014 Annual General Meeting (**AGM**) held on 28 November 2014<sup>1</sup>. The ESP was developed to serve as the Company's principal vehicle to grant long term incentive awards and form a key element of the Company's total remuneration strategy for directors and selected senior management.

The primary objectives of the ESP are to:

- (a) assist with the attraction, motivation and retention of directors and senior management and more closely align the interest of directors and senior management with shareholders by matching rewards with the long-term performance of the Company, and accordingly drive the Company's improved performance;
- (b) align the incentives provided to participants with current market practice; and
- (c) provide the Company with flexibility to accommodate changes in the Company's circumstances and shifts in regulatory and market practice from time to time.

Further details about the ESP are set out in the Company's [Notice of AGM and Explanatory Statement dated 29 October 2014](#).

If options are proposed to be issued to Directors, Senior Management or personnel, the Company's policy would require option holders not to enter into transactions in associated products which limit the economic risk of holding unvested options. Also, under the Company's [Securities Trading Policy](#), Director and employee option-holders may not:

- (a) hedge or limit their exposure to risk in any unvested options in the Company; or
- (b) use any securities in the Company held by them as security for borrowing or other obligations (including a margin lending facility) without the written consent of the Trading Officer.

The Company's [Securities Trading Policy](#) may be viewed and downloaded from the Company's website: [http://keybridge.com.au/corporate\\_governance.php](http://keybridge.com.au/corporate_governance.php)

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<sup>1</sup> Refer KBC's [Notice of AGM](#) released on ASX on 30 October 2014 and KBC's ASX announcement dated 1 December 2014: [Results of AGM](#)