# Appendix 4G

# Key to Disclosures
## Corporate Governance Council Principles and Recommendations

Name of entity

Spirit Technology Solutions Ltd

ABN/ARBN

73 089 224 402

Financial year ended:

30 June 2021

Our corporate governance statement[1] for the period above can be found at:[2]

☐ These pages of our annual report:

☒ This URL on our website: https://spirit.com.au/investor-centre/

The Corporate Governance Statement is accurate and up to date as at 29 September 2021 has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.[3]

Date: 29 September 2021

Name of authorised officer authorising lodgement: Melanie Leydin – Company Secretary

[1] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

[2] Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

[3] Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.



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## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
|---|---|---|---|
| **PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT** | | | |
| 1.1 | A listed entity should have and disclose a board charter setting out:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management. | ☒<br>and we have disclosed a copy of our board charter at:<br>https://spirit.com.au/investor-centre/…….. | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should:<br>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and<br>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

[4] Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with "*insert location*" underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert "our corporate governance statement". If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg "pages 10-12 of our annual report"). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg "www.entityname.com.au/corporate governance/charters/").

[5] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.



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| Corporate Governance Council recommendation | | Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement: | Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5] |
|---|---|---|---|
| 1.5 | A listed entity should:<br>(a) have and disclose a diversity policy;<br>(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<br>(c) disclose in relation to each reporting period:<br>(1) the measurable objectives set for that period to achieve gender diversity;<br>(2) the entity's progress towards achieving those objectives; and<br>(3) either:<br>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or<br>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.<br>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period. | ☒<br>and we have disclosed a copy of our diversity policy at:<br>https://spirit.com.au/investor-centre/……<br>and we have disclosed the information referred to in paragraph (c) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement<br>and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period. | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 1.6 | A listed entity should:<br>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and<br>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | ☒<br>and we have disclosed the evaluation process referred to in paragraph (a) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement<br>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|---|---|
| 1.7 | A listed entity should:<br>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and<br>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. | ☒<br>and we have disclosed the evaluation process referred to in paragraph (a) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement<br>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|---|---|
| **PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE** | | | |
| 2.1 | The board of a listed entity should:<br>(a) have a nomination committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or<br>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. | ☒<br>*[If the entity complies with paragraph (a):]*<br>and we have disclosed a copy of the charter of the committee at:<br>https://spirit.com.au/investor-centre/<br>and the information referred to in paragraphs (4) and (5) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement and in the 2021 Annual Report<br>*[If the entity complies with paragraph (b):]*<br>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | ☒<br>and we have disclosed our board skills matrix at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|---|---|
| 2.3 | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and<br>(c) the length of service of each director. | ☒<br>and we have disclosed the names of the directors considered by the board to be independent directors at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement<br>and, where applicable, the information referred to in paragraph (b) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement<br>and the length of service of each director at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 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. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively. | ☒ | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|---|---|
| **PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY** | | | |
| 3.1 | A listed entity should articulate and disclose its values. | ☐<br>and we have disclosed our values at:<br>……<br>[*insert location*] | ☒ set out in our Corporate Governance Statement |
| 3.2 | A listed entity should:<br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br>(b) ensure that the board or a committee of the board is informed of any material breaches of that code. | ☒<br>and we have disclosed our code of conduct at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |
| 3.3 | A listed entity should:<br>(a) have and disclose a whistleblower policy; and<br>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. | ☒<br>and we have disclosed our whistleblower policy at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |
| 3.4 | A listed entity should:<br>(a) have and disclose an anti-bribery and corruption policy; and<br>(b) ensure that the board or committee of the board is informed of any material breaches of that policy. | ☒<br>and we have disclosed our anti-bribery and corruption policy at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |

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|---|---|---|---|
| **PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS** | | | |
| 4.1 | The board of a listed entity should:<br>(a) have an audit committee which:<br>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and<br>(2) is chaired by an independent director, who is not the chair of the board,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the relevant qualifications and experience of the members of the committee; and<br>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or<br>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. | ☒<br>*[If the entity complies with paragraph (a):]*<br>and we have disclosed a copy of the charter of the committee at:<br>https://spirit.com.au/investor-centre/<br>and the information referred to in paragraphs (4) and (5) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement and in the 2021 Annual Report<br>*[If the entity complies with paragraph (b):]*<br>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |
| 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. | ☒ | ☐ set out in our Corporate Governance Statement |
| 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. | ☒ | ☐ set out in our Corporate Governance Statement |

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|---|---|---|---|
| **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE** | | | |
| 5.1 | A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1. | ☒ and we have disclosed our continuous disclosure compliance policy at: https://spirit.com.au/investor-centre/ | ☐ set out in our Corporate Governance Statement |
| 5.2 | A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made. | ☒ | ☐ set out in our Corporate Governance Statement |
| 5.3 | A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation. | ☒ | ☐ set out in our Corporate Governance Statement |
| **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS** | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ☒ and we have disclosed information about us and our governance on our website at: https://spirit.com.au/ | ☐ set out in our Corporate Governance Statement |
| 6.2 | A listed entity should have an investor relations program that facilitates effective two-way communication with investors. | ☒ | ☐ set out in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders. | ☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | ☒ | ☐ set out in our Corporate Governance Statement |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ☒ | ☐ set out in our Corporate Governance Statement |

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|---|---|---|---|
| **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK** | | | |
| 7.1 | The board of a listed entity should:<br>(a) have a committee or committees to oversee risk, each of which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or<br>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. | ☒<br>*[If the entity complies with paragraph (a):]*<br>and we have disclosed a copy of the charter of the committee at:<br>https://spirit.com.au/investor-centre/<br>and the information referred to in paragraphs (4) and (5) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement and in the 2021 Annual Report<br>*[If the entity complies with paragraph (b):]*<br>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:<br>……..<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |
| 7.2 | The board or a committee of the board should:<br>(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<br>(b) disclose, in relation to each reporting period, whether such a review has taken place. | ☒<br>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |

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| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| 7.3 | A listed entity should disclose:<br>(a) if it has an internal audit function, how the function is structured and what role it performs; or<br>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes. | ☒<br>*[If the entity complies with paragraph (a):]*<br>and we have disclosed how our internal audit function is structured and what role it performs at:<br>……<br>[*insert location*]<br>*[If the entity complies with paragraph (b):]*<br>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement |
| 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. | ☒<br>and we have disclosed whether we have any material exposure to environmental and social risks at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement<br>and, if we do, how we manage or intend to manage those risks at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |

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|---|---|---|---|
| **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY** | | | |
| 8.1 | The board of a listed entity should:<br>(a) have a remuneration committee which:<br>(1) has at least three members, a majority of whom are independent directors; and<br>(2) is chaired by an independent director,<br>and disclose:<br>(3) the charter of the committee;<br>(4) the members of the committee; and<br>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or<br>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. | ☒<br>*[If the entity complies with paragraph (a):]*<br>and we have disclosed a copy of the charter of the committee at:<br>https://spirit.com.au/investor-centre/<br>and the information referred to in paragraphs (4) and (5) at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement and in the 2021 Annual Report<br>*[If the entity complies with paragraph (b):]*<br>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | ☒<br>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 8.3 | A listed entity which has an equity-based remuneration scheme should:<br>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and<br>(b) disclose that policy or a summary of it. | ☒<br>and we have disclosed our policy on this issue or a summary of it at:<br>https://spirit.com.au/investor-centre/ in the corporate governance statement | ☐ set out in our Corporate Governance Statement **OR**<br>☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |

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|---|---|---|---|
| **ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES** | | | |
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | ☐<br>and we have disclosed information about the processes in place at:<br>……<br>[*insert location*] | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we do not have a director in this position and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 9.2 | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time. | ☐ | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we are established in Australia and this recommendation is therefore not applicable **OR**<br>☐ we are an externally managed entity and this recommendation is therefore not applicable |
| 9.3 | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | ☐ | ☐ set out in our Corporate Governance Statement **OR**<br>☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable<br>☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable |
| **ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES** | | | |
| - | *Alternative to Recommendation 1.1 for externally managed listed entities:*<br>The responsible entity of an externally managed listed entity should disclose:<br>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and<br>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | ☐<br>and we have disclosed the information referred to in paragraphs (a) and (b) at:<br>……..<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |

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| **Corporate Governance Council recommendation** | | **Where a box below is ticked,[4] we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:** | **Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are:[5]** |
|---|---|---|---|
| - | *Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:*<br>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager. | ☐<br>and we have disclosed the terms governing our remuneration as manager of the entity at:<br>……..<br>[*insert location*] | ☐ set out in our Corporate Governance Statement |

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# 2021 Corporate Governance Statement

The Board of Spirit Technology Solutions Ltd (the **Company** or **Group**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website https://www.spirit.com.au/investor-centre/, including the 2021 Annual Report and all Company's policies contained herein.

This Statement is current as at 29 September 2021 and has been approved by the Board of Directors of Spirit Technology Solutions Ltd.

**PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**
**Recommendation 1.1 - Role of the Board and Management**

The role of the Board is to approve the strategic direction of the Company, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Group's affairs. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including employees, customers, suppliers, and the wider community.

The Board has a formal Board Charter which is available on our website at https://spirit.com.au/investor-centre/ that sets out the matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Managing Director (**MD**). The MD is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board maintains ultimate responsibility for strategy, control and risk profile of the Group.

**Recommendation 1.2: Appointment of Directors**

The Nomination & Remuneration Committee facilitates the selection of Directors and appointment of Directors. Before the Board appoints a new Director or puts forward a candidate for election, the Nomination and Remuneration Committee will ensure that appropriate background checks are undertaken.

We provide our shareholders with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the notice of meeting and other information contained in the 2021 Annual Report.



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**Recommendation 1.3: Appointment Terms**

Each director and senior executive are party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment, including the remuneration entitlement and performance requirements. Directors also receive a deed of indemnity, insurance, and access. Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2021 Annual Report.

**Recommendation 1.4: Company Secretary**

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2021 Annual Report.

**Recommendation 1.5: Diversity Policy**

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. To demonstrate the Company's commitment to developing measurable objectives to achieve diversity and inclusion in its workplace, the Company has implemented a Diversity Policy which can be viewed at https://spirit.com.au/investor-centre/.

The Diversity Policy provides a framework for the Company to achieve a diverse and skilled workforce, with the aim of leading to continuous improvement and achievement of corporate and strategic goals, a workplace culture characterised by inclusive practices and behaviours, equal employment and career development opportunities for all staff and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 31 August 2021 was as follows:

| | Male | Female | Total |
|---|---|---|---|
| Board | 80.00% | 20.00% | 100% |
| Senior Executive Positions | 66.67% | 33.33% | 100% |
| Entire organisation | 75.44% | 24.56% | 100% |

Senior Executives are defined as roles supporting the Managing Director with running the business and delivering on strategic objectives.

The Board has set a number of diversity objectives as set out in its Diversity Policy which can be viewed at https://spirit.com.au/investor-centre/.

The Company is in the process of reporting against a set of standardised gender equality indicators provided

by the Workplace Gender Equality Agency ('WGEA'), of which the WGEA report will be made available on the Company's website in due course.

The Company does not meet this Recommendation in its entirety.

**Recommendation 1.6: Board, Committees and Individual Directors Performance Assessment**

The Board is committed to formally evaluating its performance, the performance of its Committees and individual Directors, as well as the governance processes supporting the Board. The Board's, Committees' and individual Directors' performances are assessed annually.

The Board's, Committees' and Individual Directors' performance assessment process is conducted as follows:

- completion of a questionnaire/survey by each director, and which is facilitated by the Company Secretary
- preparation by the Company Secretary and provision of a report to the Nomination and Remuneration Committee which outlines the feedback received on the Board's and Committee's performance; and
- discussion by the Nomination & Remuneration Committee of any areas and actions for improvement and reports them to the Board.

Individual Directors' performance is also assessed through open and frank discussions between the Chair of the Nomination and Remuneration Committee and each Board member. Similarly, the Chair of the Nomination and Remuneration Committee's performance is assessed by the Chair of the Board. A report of these one-on-one discussion is then prepared for the Board's consideration. Actions for improvement are then taken on-board for the Director's self-development.

The Company undertook an internal Board, Committees, and individual Directors' performance assessment during the period under review in accordance with the above process. An analysis of the data collected indicated that the Board and Committees are functioning effectively against all criteria. The Board and Committees are committed to their roles and each Board member is dedicated to proactively supporting the Company and its stakeholders.

**Recommendation 1.7: Senior Executive Performance Assessment**

Senior Executives are appointed by the Managing Director and their Key Performance Indicators (**KPI's**) contain specific financial and non-financial objectives.

These KPIs are reviewed annually by the MD. The performance of each Senior Executive against these objectives is evaluated annually.

In the case of the Managing Director, this review is conducted by the Nomination and Remuneration Committee and the results are reported to the Board.

Performance evaluations were undertaken during the reporting period by the Company in accordance with the process.

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**PRINCIPLE 2 – BOARD STRUCTURE**
**Recommendation 2.1: Nomination Committee**

The Company's Nomination and Remuneration Committee Charter provides for creation of a Committee, with at least three members. The Nomination and Remuneration Committee Charter is available at https://spirit.com.au/investor-centre/

The Board has established a Nomination and Remuneration Committee to assist the Board in ensuring it is equipped to discharge its responsibilities. The Committee has guidelines for the nomination and selection of directors and for the operation of the Board.

During the financial year 2021 the Committee was comprised of:

- Terence Gray – Independent Chair (up to 7 July 2020)
- Inese Kingsmill – Independent Chair (from 15 July 2020)
- James Joughin – Independent Member
- Gregory Ridder – Independent Member

All Committee members were always deemed independent Directors during the year and at least three Committee members were present in all Committee meetings held during the financial year. All Directors have relevant experience as shown in their biographies in the Directors Report. Details of meetings held by the Committee during the year and member attendance are set out in the 2021 Directors' Report.

In accordance with the Company's Nomination and Remuneration Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review director competence standards;
- review Board succession plans;
- evaluate the Board's performance;
- make recommendations for the appointment and removal of directors to the Board; and
- make recommendations to the Board on recruitment, retention, and termination policies for senior management.

Details of meetings held by the Committee during the year and member attendances are set out in the 2021 Directors' Report.

**Recommendation 2.2: Board Skills Matrix**

Our objective is to have an appropriate mix of expertise and experience on our Board so that the Company can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives. This mix is subject to review on a regular basis as part of the Board's performance review process.

The skills and experience represented in the Board that were assessed as "Highly experienced", "Very good experience" and "Good/satisfactory experience" and are relevant to the Company's business are set out in the matrix below:

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***Skills and experience***

- Risk & Compliance
- Financial & Audit
- ASX Governance
- Strategy
- Business Operations
- Policy Development
- Capital Markets
- Telecommunications Services
- Sales and Marketing
- Stakeholder Engagement
- Experienced Managing Director
- Previous Board Experience
- Leadership
- Ethics and Integrity
- Contribution
- Negotiation
- Critical Thinker
- Crisis Management
- Corporate History
- Client Engagement
- People and Performance

To the extent that any skills are not directly represented on the Board, they are augmented through senior management and external advisors.

Full details of each Directors' relevant skills and experience are set out in the 2021 Directors' Report.

**Recommendation 2.3: Independent Directors**

An independent director is a non-executive director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each Director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the director's terms of appointment, the Corporations Act 2001, and the Board Charter.

When appointing an independent director or reviewing the independence of its Directors, the Board will have regard to the definition of independent director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

The Board's assessment of each current Director is set out below.

| Name | Position | Appointment date | Status |
|---|---|---|---|
| James Joughin | Non-Executive Chairman | 16 June 2016 | Independent |
| Sol Lukatsky | Managing Director | 21 June 2019 | Non-Independent |
| Mark Dioguardi | Executive Director & COO | 21 June 2019 | Non-Independent |
| Gregory Ridder | Non-Executive Director | 21 November 2019 | Independent |
| Inese Kingsmill | Non-Executive Director | 1 July 2020 | Independent |

The Board considers the Non-Executive directors to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of securities in the Company by these Non-Executive directors and is of the opinion that their respective interests in securities would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that they are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Sol Lukatsky and Mark Dioguardi are considered by the Board not to be independent as they are both employed in an executive capacity.

**Recommendation 2.4: Majority Independence**

As at the date of this Statement, three of our five Directors are deemed independent and the Company currently have a majority of independent directors on the Board, which is consistent with Recommendation 2.4.

The Chair of the Board, Mr James Joughin along with the other independent directors Mr Gregory Ridder and Ms Inese Kingsmill, provide an active role in challenging management.

Further information regarding our Directors, including their experience and qualifications, is set out in the Directors' Report of our 2021 Annual Report.

**Recommendation 2.5: Board Chair**

The Chair, James Joughin was appointed to the position on 16 June 2016 and is considered an independent Director. The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. His role is set out in more detail in the Board Charter.

The roles of Chair and Managing Director are exercised by different individuals, being James Joughin and Sol Lukatsky respectively.

**Recommendation 2.6: Induction, Education and Training**

In accordance with the Company's Nomination and Remuneration Committee Charter, the Nomination and Remuneration Committee is responsible for establishing and reviewing induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.

Directors are also encouraged to personally undertake appropriate training and refresher courses as appropriate to maintain the skills required to discharge their obligations to the Company.

**PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

**Recommendation 3.1: Statement of Values**

The Company's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors. The Company's values and statement of values are currently being defined and designed and are expected to be finalised by Q2 FY22. Once finalised the statement of values will be disclosed on the Company's website https://spirit.com.au/investor-centre/. Any material breach of the Company's policies, including a breach of the Corporate Code of Conduct, is raised, and reviewed at each Board meeting.

The Company's Executive Team are responsible for instilling these values across the organisation.

**Recommendation 3.2: Code of Conduct**

The Board recognises the need to observe the highest standards of corporate practice and business conduct.



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Accordingly, the Board has adopted a Corporate Code of Conduct designed to:

- provide a framework for decisions and actions in relation to ethical conduct in employment;
- support the Company's business reputation and corporate image; and
- make Directors' and employees aware of the consequences if they breach the Corporate Code of Conduct.

The Corporate Code of Conduct can be found on our website at https://spirit.com.au/investor-centre/. The key aspects of this code are to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of shareholders;
- act in accordance with all applicable laws, regulations, and the Company policies and procedures; and
- act in an appropriate business-like manner when representing the Company in public forums.

The Corporate Code of Conduct sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy and security of information.

**Recommendation 3.3: Whistleblower Policy**

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behaviour in all its business activities. The Company supports a culture of honest and ethical behaviour in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised, and reviewed at each Board Meeting.

The Whistleblower Policy is available on the Company's website https://spirit.com.au/investor-centre/.

**Recommendation 3.4: Anti-bribery and Corruption Policy**

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised at the Audit and Risk Committee level, with the latter reporting on them at the next Board meeting.

The Anti-Bribery and Corruption Policy is available on the Company's website https://spirit.com.au/investor-centre/.

**PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**
**Recommendation 4.1: Audit Committee**

The Board has established an Audit and Risk Committee Charter which provides for the establishment of an Audit and Risk Committee, with, a majority of whom are independent Directors, and which shall be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on the Company's website at https://spirit.com.au/investor-centre/.

During the financial year 2021 the Committee was comprised of:

- Terence Gray – Independent Chair (up to 7 July 2020)
- Gregory Ridder – Independent Chair (Chair from 15 July 2020 and member since 2019)
- James Joughin – Independent Member
- Inese Kingsmill – Independent Member (From 15 July 2020)

All Committee members were deemed independent Directors at all times during the fiscal year and at least three Committee members were present in all Committee meetings held during the financial year.

In accordance with the Company's Audit and Risk Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review and monitor the integrity of the Company's financial reports and statements;
- monitor the performance and independence of the external auditor; and
- reviewing the consolidated accounts of the company.

It also has risk management and internal control functions as set out under Recommendation 7.1.

Details of meetings held by the Committee during the year and member attendances are set out in the 2021 Directors' Report.

**Recommendation 4.2: Assurances**

The Managing Director and Chief Financial Officer (**CFO**) provide an annual declaration to the Board prior to the Board's approval of the Company's full year financial results. This process was followed for the 2021 full year financial results, where the MD and CFO provided a declaration to the Board that, in their opinion, the financial records 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. On this basis, the 2021 full year financial results were approved by the Board.

**Recommendation 4.3: Verification of integrity of periodic corporate reports**

Our external auditor, PKF Melbourne Audit & Assurance Pty Ltd (**PKF**), was appointed following our 2017 Annual General Meeting (**AGM**). PKF attends our AGM and a representative is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

PKF's independence declaration is contained in the Directors' Report in our 2021 Annual Report.

The effectiveness, performance and independence of the external auditor is reviewed annually by the Board.

Any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor is reviewed and approved by the Board so that it is satisfied the report in question is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. Following review by the Board of Directors the report is formally approved prior to release.

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**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**
**Recommendation 5.1: Continuous Disclosure Policy**

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act.

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy (**Policy**), which is available on our website at https://spirit.com.au/investor-centre/.

The Board has overarching responsibility for compliance with continuous disclosure obligations and Board approval is required for certain key matters (as set out in the Continuous Disclosure Policy) and matters may be referred to the Board for approval by the Chair of the Board, the Chair of the Audit and Risk Committee, or the Company Secretary.

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market and in compliance with our Securities Trading Policy (as applicable). In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

**Recommendation 5.2: Provide Board with copies of all material market announcements**

The Company ensures that its Board receives copies of all material market announcements prior to release to the market followed by immediate notification including announcement following each release to the market.

**Recommendation 5.3: Investor Presentations**

In accordance with the recommendation, the Company ensures that all new and substantive presentations are released to the market ahead of the presentation to enable security holders the opportunity to participate in the presentation. The Company discloses these processes in the Company's Continuous Disclosure Policy available on the Company' website.

**PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**
**Recommendation 6.1: Information and Governance**

Information about the Company and its corporate governance policies is available on our website at https://spirit.com.au/investor-centre/.

The Company also maintains a separate investor page on our website to provide shareholders with links to annual and interim reports, ASX announcements, presentations and other key information.

**Recommendation 6.2: Investor Relations**

We endeavour to communicate with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholders communications, the Company aims to provide information that will allow existing

shareholders, potential shareholders, and financial analysts to make informed decisions about the Group's intrinsic value and is available on meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as quarterly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Group.

Shareholder queries should be referred to the Company Secretary in the first instance.

Our Shareholder Communications Policy is available on our website at https://spirit.com.au/investor-centre/.

**Recommendation 6.3: Shareholder Meeting Participation**

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

**Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll**

In order to ascertain the true will of Spirit's security holders attending and voting at its security holder meetings, whether they attend in person, electronically or by proxy or other representative, in most situations where this can be achieved the company will conduct the voting procedure by a poll.

**Recommendation 6.5: Electronic Communication with Shareholders**

The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, and half yearly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

Shareholders queries should be referred to the Company Secretary at first instance.

**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**
**Recommendation 7.1: Risk Committee**

The Company's Audit and Risk Committee Charter provides for the establishment of an Audit and Risk Committee, with at least three members, a majority of whom are independent Directors, and which shall be chaired by an independent Director who is not the Board Chair. The Audit and Risk Committee Charter is available on the Company's website at https://spirit.com.au/investor-centre/.



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The Company's Audit and Risk Committee also has delegated responsibilities in relation to risk management as set out in the Audit and Risk Committee Charter. Its role includes assisting the Board to:

(a) Review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
(b) Reviewing compliance with relevant laws and regulations.

During the financial year 2021 the Committee was comprised of:

- Terence Gray – Independent Chair (up to 7 July 2020)
- Gregory Ridder – Independent Chair (Chair from 15 July 2020 and member since 2019)
- James Joughin – Independent Member
- Inese Kingsmill – Independent Member (From 15 July 2020)

All Committee members were deemed independent Directors at all times during the fiscal year and at least three Committee members were present in all Committee meetings held during the financial year.

In accordance with the Company's Audit and Risk Committee Charter the Committee also has delegated responsibilities in relation to risk management which includes assisting the Board to:

- review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
- reviewing compliance with relevant laws and regulations

Details of meetings held by the Committee during the year and member attendances are set out in the 2021 Directors' Report.

**Recommendation 7.2: Review of Risk Management Framework**

The Group's risk management framework is supported by the Board of directors, management team and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The Management team is responsible for monitoring and ensuring that appropriate processes and controls are in place to manage risk effectively and efficiently.

The Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. The Risk Management Policy is available on the Company's website at https://spirit.com.au/investor-centre/. The Company's risk management framework is reviewed on a periodic basis.

A review of the Company's risk management framework is undertaken by the Board and management on a regular, ongoing basis. The Board has reviewed its risk management framework during the period under review.

**Recommendation 7.3: Internal Audit**

The internal audit function provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control, and governance, along with recommendations to improve the efficiency and effectiveness of these systems and processes.

The Audit and Risk Committee Charter provides for the Committee to monitor the need for an internal audit function.

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The Company did not have an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function.

During the past financial year, the Company employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

(i) the Audit and Risk Committee monitors the need for an internal audit function having regard to the size, location and complexity of the Company's operations; and

(ii) senior management periodically facilitate an internal review of financial systems and processes and present to require improvement these systems are developed the Board the objectives and scope, proposed outcomes and any recommendations arising from the review.

**Recommendation 7.4: Economic, Environmental and Social Sustainability Risk**

The Company is not subject to any particular or significant single economic, environmental and social risk. The Company is subject to a range of general economic risks, including macro-economic risks, government policy, general business conditions, changes in technology and many other factors.

The Company has no material exposure to economic, environmental and social sustainability risks.

**PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY**
**Recommendation 8.1: Remuneration Committee**

The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee, with at least three members, a majority of whom are independent Directors and which must be chaired by an independent Director. The Nomination and Remuneration Committee Charter is available on our website at https://spirit.com.au/investor-centre/.

The Board has established a Nomination and Remuneration Committee to assist the Board in ensuring it is equipped to discharge its responsibilities. The Committee has guidelines for the nomination and selection of directors and for the operation of the Board.

During the financial year 2021 the Committee was comprised of:

- Terence Gray – Independent Chair (up to 7 July 2020)
- Inese Kingsmill – Independent Chair (from 15 July 2020)
- James Joughin – Independent Member
- Gregory Ridder - Independent Member

All Committee members were always deemed independent Directors during the year and at least three Committee members were present in all Committee meetings held during the financial year.

In accordance with the Company's Nomination and Remuneration Committee Charter, the Committee has delegated responsibilities in relation to remuneration matters which includes assisting the Board by recommending:

- executive remuneration and incentive policies;
- the remuneration packages of senior management;
- incentive schemes;
- superannuation arrangements; and
- the remuneration framework for directors.



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Details of meetings held by the Committee during the year and member attendances are set out in the 2021 Directors' Report.

**Recommendation 8.2: Remuneration Policies and Practices**

The Nomination and Remuneration Committee is currently responsible for determining and reviewing remuneration policies for the directors and senior executives. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of the Company's remuneration practices for its Directors and senior executives are disclosed in the Remuneration Report in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short term incentive and long-term incentives, and includes details of the remuneration paid and the relationship to the Company's performance.

Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) is disclosed in the Company's 2021 Annual report, as lodged with the ASX and issued to shareholders.

**Recommendation 8.3: Equity Based Remuneration Scheme**

The Company has a Securities Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

Further information a copy of the Company's Securities Trading Policy is available on the Company's website on https://spirit.com.au/investor-centre/.

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