

## Corporate Governance Statement 2023

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Board adopted: 10 November 2023

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## About TechnologyOne

TechnologyOne (ASX:TNE) is Australia's largest enterprise software company and one of Australia's top 100 ASX-listed companies, with offices across six countries. We provide a global SaaS ERP solution that transform business and makes life simple for our customers. Our deeply integrated SaaS solution is available on Any device, Anywhere and Anytime. Over 1,300 leading corporations, government agencies, local councils and universities are powered by our software.

For more than 36 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

For further information, please visit: [TechnologyOneCorp.com](https://TechnologyOneCorp.com)

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## 1. Corporate Governance Statement

The Board of Directors of the Company is responsible for its corporate governance. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Directors have established guidelines for the operation of the Board and its Committees. Set out below are the Company's main corporate governance practices.

The TechnologyOne Board routinely considers industry governance initiatives of benefit to the Company and its many stakeholders. The Board has adopted the 4<sup>th</sup> Edition of the ASX Corporate Governance Principles and Recommendations.

The Corporate Governance Statement, as well as supporting documents are available on the Company's internet site: [www.technologyonecorp.com/company/investors/corporate-governance](http://www.technologyonecorp.com/company/investors/corporate-governance)

## 2. Board of Directors

The Board of the Company currently comprises eight Directors and includes:

Pat O'Sullivan	Non-Executive Director – Independent Board Chair (appointed 02/03/2021)
Edward Chung	Managing Director (appointed 15/08/2023) (CEO since 23 May 2017)
John Mactaggart	Non-Executive Director – Major shareholder (appointed 08/12/1999)
Richard Anstey	Non-Executive Director – Independent (appointed 02/12/2005)
Jane Andrews	Non-Executive Director – Independent (appointed 22/02/2016)
Sharon Doyle	Non-Executive Director – Independent (appointed 28/02/2018)
Cliff Rosenberg	Non-Executive Director – Independent (appointed 27/02/2019)
Peter Ball	Non-Executive Director – Independent (appointed 02/03/2020)

The following information is provided in the Corporate Governance section of the Company's Annual Report:

- Details of names, qualifications, skills, experience and dates of appointment of each Board member.
- The number of meetings of the Board and the names of attendees.
- Explanation of any departures from the ASX Corporate Governance Principles and Recommendations.

The role of the Board is as follows:

- Setting objectives, goals and strategic direction for management, with a view to maximising shareholder value.
- Input into and ratifying any significant changes to the Company.
- Adopting an annual budget and monitoring financial performance.
- Ensuring adequate internal controls exist and are appropriately monitored for compliance.
- Ensuring significant business risks are identified and appropriately managed.
- Selecting, appointing and reviewing the performance of the Chief Executive Officer / Managing Director.
- Setting the highest business standards and code of ethical behaviour.
- Decisions relating to the appointment or removal of the Company Secretary.
- To review and evaluate the performance of the Board as a whole, each Committee, key Executives and each Director on an annual basis.

The Board has the authority to delegate any of their powers to committees consisting of such Directors and external consultants, as the Board think fit. The Board has established the following committees:

- Audit & Risk Committee
- Remuneration Committee
- Nomination & Governance Committee

Board papers are prepared for the Directors, containing detailed operational reports from each region and department in the Company, highlighting:

- Operational performance.

- Initiatives undertaken/completed.
- Identified problems/risks and proposed solutions.

The Chief Executive Officer / Managing Director also prepares a summary report that highlights:

- Financial performance year to date, and forecast for the full year.
- Key matters and significant issues.
- Significant changes proposed.
- Proposed strategic initiatives.
- Risk Management.

On a regular basis, members of the Senior Leadership Team are invited to present to the Board directly and to answer questions the Board may have.

The strategy of the Company, as well as matters reserved to the Board, are reviewed at least annually by the Board.

### **Matters Reserved to the Board**

Matters that are reserved to the Board are as follows:

- Communications with shareholders and the market in general, including ASX announcements, through the Board Chair.
- Input into and subsequent approval of corporate strategy and performance objectives.
- Oversight of the Company's governance policies, including the Company's Code of Business Conduct.
- Oversight and monitoring of the internal compliance with legal and regulatory obligations (e.g. ASX, ASIC, ATO, Whistleblower, Workplace Health Safety)
- Input into and subsequent approval of significant organisational structure/restructure.
- Review of the Chief Executive Officer / Managing Director and Company Secretary to the relevant Code of Conduct established by the Board.
- Appointing and removing the Managing Director and / or Chief Executive Officer and monitoring their performance respectively.
- Input into and subsequent approval of the budget including Operating Expenditure and Capital Expenditure, and any significant variations.
- Oversight of the Company, including its control and accountability systems.
- Input into and subsequent approval of changes to internal systems and controls.
- Review, and accept/reject recommendations from sub-committees such as Audit & Risk, Remuneration and Nomination & Governance committees.
- Input into and ratifying any acquisitions and divestitures.

All other matters are referred to management via the Chief Executive Officer / Managing Director. The Chief Executive Officer / Managing Director are authorised to sub-delegate their authority for the day-to-day operation of the Company.

### **Board Skills**

As a collective, the Board has extensive commercial skills and experience which provide a solid base for the governance of the Company. The Board has a combination of experience in the following core areas:

- Strategic and Commercial Acumen

- Finance and Taxation
- Risk and Compliance
- IT and Communications Industry
- Software and Product Development
- Start-ups and Early Stage Investments
- Corporate Governance and ESG
- Sales and Marketing
- People, Culture and Conduct
- Executive Management and Leadership
- Listed Entities
- International Business.

The Board as a whole benefits from the combination of the Director's individual skills, experience and expertise in particular areas, as well as the varying perspectives that arise from the Board's interactions through their diverse backgrounds.

The Board membership is to provide a suitable level of skills to properly guide the Company and deliver the Company's strategic objectives and provide a solid base for governance.

The Board assesses its level of skills annually and will address any requirements for additional skills that it feels would be in the best interest of the Company in response to wider market factors and the growth of the Company. The Board has determined the core skills for its governance of the Company. The Board has the authority to appoint Directors and will consider the recommended appointments as proposed by the Nomination & Governance Committee. The Board will assess whether to recommend / not recommend endorsement of a Director at each General Meeting.

### **Director Principles**

The Directors operate in accordance with the following broad principles:

- The Board should comprise of at least three members, but no more than 10.
- The Board may increase the number of Directors where it is felt that additional expertise in specific areas is required. The size of the Board is to be appropriate to all it to be effective and to react quickly to opportunities and mitigate threats.
- The Board should be comprised of Directors with an appropriate mix of skills, qualifications, expertise, experience and diversity. The skills, experience and expertise which the Board considers to be particularly relevant include those listed above. In respect of diversity, the Board recognises that diversity includes, but is not limited to gender, age, ethnicity and cultural background. The Board values diversity and acknowledges the individual contribution that people can make and the opportunity for innovation that diversity brings.
- The Board shall meet on both a planned basis and an unplanned basis when required and have available all necessary information to participate in an informed discussion of agenda items.
- The Directors are entitled to be paid expenses incurred in connection with the execution of their duties as Directors. Each Director is therefore able to seek independent professional advice at the Company's expense, where it is in connection with their duties and responsibilities as Director. The Company policy is that a Director wishing to seek independent professional advice should advise the Board Chair at least 48 hours before doing so.
- The Directors and Officers will not engage in short term trading of the Company's shares. Furthermore, the Directors and Officers will not buy or sell shares at a time when they possess information which, if disclosed publicly, would be likely to materially affect the market price of the Company's shares. Information is not considered to be generally available until a reasonable

time has elapsed to allow the market to absorb these announcements. A detailed policy exists on this matter – refer below, section: Trading in Company Securities.

- Directors have a clear understanding of the corporate and regulatory expectations of them. To this end, formal letters of appointment are made for each Director setting out the key terms and conditions, any special duties or arrangements, remuneration and expenses, their rights and entitlements, confidentiality and rights of access to corporate information, as well as Indemnity and Insurance cover provided.
- Newly appointed Directors undertake an induction course covering the Company's strategy, products and operations. They are also provided a copy of the Company's constitution, charters and key policies.
- Directors are required to disclose Directors' interests and any matters that may affect the Director's independence. This includes disclosure of conflicts of interest, which may include transactions with family members or related entities.
- If there is a potential conflict of interest, conflicted Directors must immediately inform the Board and abstain from deliberations on such matters. Such Directors are not permitted to exercise any influence over other Board members. If the Board believes the conflict of interest is material or significant, the Directors concerned will not be allowed to attend the meeting or receive the relevant Board papers.

### **Director Independence**

The Board comprises a majority of independent Non-Executive Directors who have broad commercial experience and bring independence, accountability and judgement in discharging the Board's responsibilities to ensure optimal returns to shareholders and the ongoing provision of benefits to the Company's employees.

The Board is required to disclose any material information that could influence, or would be reasonably perceived to influence, in a material respect their capacity to bring an independent judgement to bear on the issues before the Board and to act in the best interests of the Company and its shareholders.

The independence of the Directors is assessed annually in accordance with the ASX Corporate Governance Principles and Recommendations.

TechnologyOne will only enter into an agreement for the provision of consultancy or similar services by a Director or Senior Executive or by a related party of theirs if TechnologyOne has independent advice that the services being provided are outside the ordinary scope of their duties as a Director or Senior Executive; the agreement is on arm's length terms; and the remuneration payable under it is reasonable and with full disclosure of the material terms to securityholders.

TechnologyOne has aligned its Committee composition strategy to comply with the ASX Corporate Governance Principles and Recommendations, ensuring that newly appointed Directors are made members of the appropriate Committees once they have had sufficient time to develop a comprehensive understanding of TechnologyOne's operations. All Committees are comprised of independent non-executive directors.

### **Director Appointments**

All Directors, both Executive and Non-Executive, receive written notifications of their appointment and a new Director induction pack which details the terms and conditions of their appointment, remuneration (including superannuation contributions), continuous disclosure requirements (including interests in the Company), ongoing confidentiality obligations, Company policies on when to seek independent professional advice, and the Company's indemnity and insurance measures.

Prior to appointment, appropriate checks are undertaken on the candidates and relevant information provided to shareholders to consider when voting on the election of the Director. Relevant information is also provided for shareholders to consider when voting to re-elect existing Directors upon rotation. Executive Directors and Senior Executives of the Company will also have formal written employment agreements which set out the terms of their employment, roles and responsibilities, reporting lines, remuneration, confidentiality and termination provisions.



All Directors and Senior Executives are required to comply with key corporate policies which include, but are not limited to, Code of Business Conduct, Share Trading Policy, Insider Trading Policy, Privacy Policy and Diversity Policy.

All new Directors and Senior Executives participate in the Company's formal on-boarding program which includes an induction program which incorporates meetings with key Senior Executives.

The Board has the authority to appoint Directors and will consider the recommended appointments as proposed by the Nomination & Governance Committee. The Board will assess whether to recommend / not recommend endorsement of a Director at each General Meeting.

### 3. Company Secretary

Company Secretaries are appointed by the Board by resolution.

Company Secretaries are accountable directly to the Board, through the Board Chair.

The role of the Company Secretary is as follows:

- Advising the Board and Committees on governance matters.
- Monitoring adherence of Board and Committees to policies and procedures.
- Coordinating timely completion and despatch of Board and Committee papers.
- Ensuring business at Board and Committee meetings is accurately captured in the minutes.
- Helping to organise and facilitate induction and professional development of Directors.

#### 4. Audit & Risk Committee

The Board has established an Audit & Risk Committee.

The committee is comprised of:

Peter Ball (Chair)	Independent Non-Executive Director
Jane Andrews	Independent Non-Executive Director
Sharon Doyle	Independent Non-Executive Director

The role of the committee is to assist the Board in discharging its obligations with respect to the following areas:

##### 1. Financial Reporting

- Ensure the integrity in financial reporting (refer section below – Safeguard Integrity in Financial Reporting).
- Review for accuracy financial statements for each reporting period prior to approval by the Board, and publishing.
- Ensure required declarations from the Company's Chief Executive Officer and Chief Financial Officer are received for each reporting period.
- Ensure that the financial statements for each reporting period comply with appropriate accounting standards.
- Regularly review Accounting Standards and Company Policies in conjunction with the Auditors and recommend adoption/changes to the Board.
- Directly follow-up action where considered necessary.
- Relay any matters of concern to the Board.

##### 2. Tax Governance

- Oversight of the Company's group taxation matters and ongoing development.
- Review of taxation governance processes, policies, control framework and reporting.

##### 3. Internal Audit

- Ensure that systems of internal control are functioning effectively and economically and that these systems and practices contribute to the achievement of the Company's corporate objectives.
- Ensure the Internal Audit Function maintains a high standard of performance.

##### 4. External Audit

- Receive and review reports from the external Auditor.
- Oversight of the process to ensure the independence and competence of the Company's external auditors.
- Review the performance of the external auditor on an annual basis.
- Recommend the selection and the appointment of the external Auditors, based on specified criteria.

##### 5. Compliance

- Monitor compliance with the requirements of the Corporations Act, Listing Rules, Australian and Foreign Taxation Offices and other related legal obligations.

##### 6. Risk Management

- Oversee the ongoing development by management of an enterprise-wide risk management framework for management of material risks.
- Periodically review the adequacy and effectiveness of the Company's policies and procedures relating to risk management and compliance.

- Make recommendations to the Board on key risk management matters and levels of risk appetite.
- Oversight of the insurance portfolio with consideration of material risks, including cyber risk and information security.

The committee meets at least four times per year, with full minutes being kept, and reports to the Board on a regular basis. The number of meetings held during the year and the attendance of the members is provided in the Annual Report.

The Audit & Risk Committee Charter is available on the Company's website.

### **Principles of the Audit & Risk Committee**

The committee operates in accordance with the following broad principles:

- Advise and assist the Board in fulfilling its responsibilities relating to financial management, risk oversight and reporting functions and in safeguarding the Company's assets.
- Provide a means of easy access to the Board for the external auditors in order to assist them in performing their functions.
- Assign the Secretary of the Committee such duties and responsibilities as the Committee may deem appropriate.
- Take actions as necessary or prudent to fulfil the responsibilities of the Committee, provided that no action will be taken without prior approval of the Board.
- TechnologyOne requires the rotation of the external audit partner every five years. The Audit & Risk Committee includes members who are financially literate; and at least one member who has financial expertise, preferably a qualified accountant.

## 5. Remuneration Committee

The Board has established a Remuneration Committee.

The committee is comprised of:

Jane Andrews (Chair)	Independent Non-Executive Director
Cliff Rosenberg	Independent Non-Executive Director
Peter Ball	Independent Non-Executive Director

The role of the committee is:

- To advise the Board with regard to the Company's broad policy for Senior Executive and Director remuneration.
- To determine, on behalf of the Board, the individual remuneration packages for Senior Executives and Directors.
- To give the Company's Senior Executives encouragement to enhance the Company's performance and to ensure that they are fairly, but responsibly, rewarded for their individual contribution.
- To consider the vesting of any deferred remuneration including deferred STI & LTI to assess whether there are any irregularities or other factors that would affect the payment or vesting of that award (that is, consider whether to apply malus provision or utilise discretion).

Non-Executive Directors' remuneration is determined by the Board within the aggregate amount per annum which may be paid in Directors' fees.

Executives are not present for Committee discussions on Senior Executive remuneration.

The number of meetings held during the year and the attendance of the members is provided in the Annual Report.

The Remuneration Committee Charter is available on the Company's website.

### Principles of the Remuneration Committee

The Committee operates in accordance with the following broad principles:

- The Committee should provide the packages needed to attract, retain and motivate Senior Executives, but avoid paying more than is necessary.
- The Committee should judge where to position the Company relative to other companies. Be aware of comparable companies' pay, but exercise caution.
- The Committee should be sensitive to the wider scene, especially regarding salary increases.
- Performance related elements should form a significant proportion of the package; should align interests with those of shareholders; and should provide keen incentives.
- The Committee should ensure that the framework remains largely consistent year on year with any changes designed to motivate executives rather than destabilise them.

## 6. Nomination & Governance Committee

The Board has established a Nomination & Governance Committee.

The Committee is comprised of:

Cliff Rosenberg (Chair)	Independent Non-Executive Director
Sharon Doyle	Independent Non-Executive Director
Jane Andrews	Independent Non-Executive Director

The role of the Committee is as follows:

- Assessment of the necessary and desirable competencies and experience for Board membership.
- Consideration of the membership of the Board, Audit & Risk and Remuneration committees
- Evaluation initially and on an on-going basis of Non-Executive Director's professional development, commitments, and their ability to commit the necessary time required to fulfil their duties to a high standard.
- Adherence by Directors to the Director's Code of Conduct and to good corporate governance.
- Review of Board succession plans.
- Recommendation for changes to Committees.
- Recommendation of, and undertaking the appropriate checks, before the appointment of new Directors.
- Recommendation of, and undertaking the appropriate checks, for the endorsement or non-endorsement of existing Directors.
- Ensuring that an effective induction process is in place for new Board members.
- Review and oversight of the Company's Corporate Governance Statement and governance related policies.
- Review and oversight of the Company's Environmental, Social & Governance (ESG) strategy and Sustainability Reporting
- Oversee compliance with Modern Slavery Regulations

The number of meetings held during the year and the attendance of the members is provided in the Annual Report.

The Nomination & Governance Committee Charter is available on the Company's website.

### Principles of the Nomination & Governance Committee

The committee operates in accordance with the following broad principles:

- The Nomination & Governance Committee is entitled to seek the advice of an external consultant.
- The Nomination & Governance Committee will make recommendations to the Board. The Board is responsible to appoint the most suitable candidate, after receiving recommendations from the Nomination & Governance Committee. The nominated appointee upon acceptance will hold office until the next Annual General Meeting, where the appointee will stand for election.
- The name of all candidates submitted for election as Director is accompanied with necessary information required by shareholders to make an informed decision including biographical details, competencies, qualifications, details of relationships between the Company, the candidate and incumbent Directors; other directorships held, particulars of other positions held which involve significant time commitments, and any other particulars required by law or good corporate governance. For existing Directors standing for re-election, the number of years as a Director of TechnologyOne will also be provided in the Annual Report.

- Directors (with the exception of a Managing Director if appointed by the Board) must stand for re-election every three years in accordance with the Company's Constitution. One third of the Directors retire from office at each Annual General Meeting and are eligible to nominate for re-election.
- A structured process has been established to review and evaluate the performance of the Board and its Committees. This process also identifies ways to improve their performance, interaction with management, and quality of information provided.

The following information is provided in the Annual Report:

- The skills, experience and expertise relevant to the position of Director.
- The names of Directors considered by the Board to constitute independent Directors and the Company's materiality thresholds.
- The term of office held by each Director at the date of the Annual Report.
- The number of meetings held by the Nomination & Governance Committee and the names of attendees.
- Explanation of any departures from the ASX Corporate Governance Principles and Recommendations.

### **Assessment of Director Independence**

The Board has determined that an independent Director will meet all the following criteria:

- Is not an Executive Director (i.e. not a member of the management team).
- Is not a substantial shareholder of the Company, as defined by Section 9 of the Corporations Act, or an officer of a company that is a substantial shareholder.
- Is not directly associated with a substantial shareholder of the Company.
- Within the last three years, has not been employed in an Executive capacity by the Company or another group member, or been appointed a Director within three years after ceasing to hold such employment.
- Within the last three years, has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provider.
- Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated, either directly or indirectly, with a material supplier or customer. This includes family members being in these categories.
- Has no material contractual relationship with the Company or another group member other than as a Director of the Company.
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company.

## 7. Corporate Governance Principles & Recommendations

### 7.1 Ethical Standards and Code of Business Conduct

All Directors, Senior Executives and employees are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics, and always strive to enhance the reputation and performance of the Company.

A Code of Business Conduct has been established which is applicable to each of the following:

- Directors
- Chief Executive Officer / Managing Director
- Chief Financial Officer
- Chief Operating Officer
- Senior Executives
- Employees

The Code of Business Conduct has been approved by the Board and given their full support.

The Code of Business Conduct addresses:

- Responsibilities to shareholders and customers.
- "The TechnologyOne Way", which refers to the success of the Company coming from our shared values, our entrepreneurial spirit and innovation.
- Employment practices (including diversity, inclusiveness, anti-discrimination, workplace health and safety).
- Responsibilities to the community.
- Responsibilities to the individual.
- Compliance with the codes.

In addition, all employees have employment agreements, which include job descriptions that describe their duties, rights and responsibilities.

In conjunction with the Code of Business Conduct, TechnologyOne has developed a Whistleblower Policy, Modern Slavery Policy, Supply Chain Policy and Bribery & Corruption Policy. The Whistleblower Policy encourages employees to come forward with concerns that the entity is not acting lawfully, ethically or in a socially responsible manner and provides suitable protections if they do. The Board will be informed of any material concerns raised that call into question the culture of TechnologyOne or have been raised under the Bribery & Corruption Policy. The Whistleblower Hotline is facilitated by an external, independent third party and they provide translation services for those where English is not their primary language.

The Board is informed of any material breaches of the Code of Business Conduct by a Director or Senior Executive and of any other material breaches of the code that call into question the culture of the organisation.

### Diversity Policy

TechnologyOne has an inclusive Diversity Policy which covers the broader dimension of diversity covering aspects of gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender orientation within the total organisation, including the Board, and senior management. In conjunction with this policy, the Company has measurable objectives which are assessed and reported in the annual report.

The Board has developed and has oversight of the following diversity objectives:

- Ensuring compliance with the published Diversity Policy.
- Not less than 30% of the Board to be of each gender by 2025 (to allow for the Board transition)



- 70% of all vacant roles are to have at least one female candidate shortlisted.
- Maintain reporting measures that are in compliance with both the ASX guidelines and Workplace Gender Equality Agency.
- Continue to identify employee feedback mechanisms through the review of existing forums and information provided as well as the identification of appropriate new mechanisms for employee consultation.
- Maintain existing educational programs that support diversity including but not limited to induction, on boarding and leadership programs.

The diversity of TechnologyOne remains fundamental to our ongoing success. TechnologyOne has established a Diversity Policy which reflects the Company's commitment to providing an inclusive workplace.

A summary of the Diversity Policy is following:

- Diversity is one of TechnologyOne's strengths. TechnologyOne values this diversity and recognises the individual contribution our people can make and the opportunity for innovation such diversity brings.
- TechnologyOne believes that we will achieve greater success by providing our people with an environment that respects the dignity of every individual, fosters trust, and allows every person the opportunity to realise their full potential.
- TechnologyOne is committed to providing an inclusive workplace and our commitment to diversity extends to our interactions with customer and suppliers.
- TechnologyOne's remuneration policy includes a commitment to equal pay for men and women. We conduct a gender pay gap analysis annually, following which we investigate any potential gender bias in performance pay, and correct like-for-like gaps.

The Company's 2023 Workplace Gender Equality Agency report can be found on the 'Corporate Governance' section of the Company's website.

TechnologyOne continues its strong support for the involvement of women in the technology sector, including building on strong relationships with groups such as Women in Digital and being the proud sponsors of the Women in Digital Transformation Leader of the Year award.

TechnologyOne has policies in place in relation to anti-discrimination, workplace gender equality, diversity, sexual harassment, flexible working arrangements and paid parental leave.

Further details are available in the TechnologyOne Sustainability Report, published on the Company website each year.

## 7.2 Safeguard Integrity in Financial Reporting

The Company has established a structure of reviews and authorisations designed to ensure the truthful and factual presentation of the Company's financial position. This includes:

- The establishment of an Audit & Risk Committee, and the review and consideration of the accounts by the Audit & Risk Committee.
- Process to ensure the independence and competence of the Company's external auditors.
- Requirement that the CEO and CFO state in writing to the Board that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition; operational results are in accordance with the relevant accounting standards and the Company's Risk Management and Internal Compliance and Control System is operating efficiently and effectively in all material respects.
- Ensuring that the Company's external Auditor attends the Company's Annual General Meeting each year.

- Verification of statements and data supplied in the annual Directors' report and other corporate reports to ensure that the releases to the market are accurate, balanced and understandable and provide investors with appropriate information to make informed investment decisions.
- Disclosure of the annual tax transparency statement.

The Company put the external audit services to tender in 2020 which is another example of how the Company expresses its dedication to ensuring integrity of the financial reporting is maintained.

### 7.3 Continuous Disclosure

The Company Secretary working closely with the Board Chair, CEO and CFO have been delegated responsibility for the continuous disclosure of information to the market, to ensure:

- All investors have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance.
- Company announcements are factual and presented in a clear and balanced way, requiring the disclosure of both positive and negative information.
- When analysts are briefed on aspects of the Company's operations, the market is forewarned, and the materials used in such presentations are also released to the ASX and posted on the Company's website.
- Any information that a reasonable person would expect to have a material effect on the price or value of the Company's share price (as per Listing Rule 3.1) is immediately notified to the ASX.

The Company has established a documented procedure to handle continuous disclosure requirements. Directors are provided with copies of all announcements made under listing rule 3.1 promptly once made.

### 7.4 Risk Assessment Management

The Company has adopted an active approach to risk management and the Board recognises that the Company's participation in commercial and operational activities require a certain level of risk. As such, the Board has delegated the risk management function to the management of the Company with oversight by the Audit & Risk Committee. A standing Item has been included in the Audit & Risk Committee agenda to consider the Enterprise Risk Register.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the declaration provided in accordance with section 295A of the *Corporations Act* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to the financial reporting risks.

The risk appetite of the Company considers the level of risk and risk combinations that the Board is prepared to take to achieve strategic objectives together with the level of risk shock that the Company is able to withstand.

The Company performs risk reviews at least semi-annually and has identified several key risk categories for the business.

### Material Risks

#### Cyber Risk

TechnologyOne has successfully completed the Information Security Registered Assessors Program (IRAP) assessment for PROTECTED classified data. This provides our SaaS customers with an increased cyber security posture and greater certainty in a constantly evolving cyber security landscape. This was achieved by leveraging the strong compliance and security foundations established over recent years and is a testament to TechnologyOne's mature security practices, accountability mechanisms and belief in continuous assessment and improvement.

The Company has a robust data security and privacy program developed to meet the requirements set out in Australia's Privacy Amendments (Notifiable Data Breaches) Act 2017, UK Data Protection

Act 2018 (DPA Act) and the EU General Data Protection Regulation. This program ensures security is considered throughout the day-to-day operations of the Company and is backed by an independently verified process for dealing promptly with matters should they arise. The Company also is certified to the standards required in ISO27000, ISO9001, SOC1, SOC2 and SOC3 (Service Organisation Controls).

### **People Risk**

The Company needs to ensure we attract, retain, develop and foster the talent, skills and knowledge needed to deliver ambitious goals.

The Company manages people risk through:

- Education of the Company's mission, values and purpose.
- Career progression and succession, remuneration and achievement and reward initiatives.
- Wellbeing initiatives – physical, mental, and financial (including provision of an Employee Share Plan and gym facilities for employees).
- Leadership training and coaching.
- eNPS surveys and retention / turnover reporting and analysis.
- Promotion of the success of the Company internally and externally.
- Alignment of education of the Company's and departmental strategies, and empowerment to deliver.
- Graduate, intern and global mobility program.

The Board is provided with a summary of these initiatives at each board meeting.

### **Building the Future Risk**

The Company sets ambitious goals for its future growth which are delivered on through:

- Alignment and education of the Company's and department strategies and empowerment to deliver.
- Product success, Practice Management, Customer Success Teams, and tribes and 'Brains Trust' groups established.
- Ongoing and frequent engagement with customers and user groups and early adopter programs.
- Continuous investment in R&D and 'tribal days' including Hack Day.
- Ongoing monitoring of operating environment and competitors.

### **Other Risks**

The Company's focus on risk management is primarily conducted through the Audit & Risk Committee, with a number of identified areas of specific risks as follows:

#### **Contract Risk**

The Company has established a Contract Approval Process that reviews all proposed new contracts with non-standard terms prior to signing to ensure the contracts can be fulfilled, the risks are known and can be managed, and that the contract can be completed profitably without exposing the Company to ongoing liabilities.

#### **Financial Risk**

The Chief Financial Officer, in conjunction with the Chief Executive Officer / Managing Director, review the Company's financial exposure with a particular focus in the area of Outstanding Debtors, with oversight by the Board.

#### **Software Risk**

The Company has a rigorous product development process that reviews Software Release management, including resourcing and development issues.

### Insurance Risk

The Audit & Risk Committee reviews the Company's insurance requirements on an annual basis and compares this to the level of cover provided to ensure it is adequately covered. A recommendation is then provided to the Board for the placement of the Company's insurance policies.

### Project Risk

The Board requires the Chief Executive Officer / Managing Director to report on any customer implementation project that may be at significant risk of either incurring substantial penalties or incurring substantial over-runs. In addition, the Company has established a Customer Experience Team that reviews current projects and consulting activities to provide an early detection mechanism to ensure that any activities that pose a significant risk to the Company are identified and resolved before exposing the Company to potential liabilities.

### Sustainability Risk

The Company believes that it does not have material exposure to specific economic, environmental, or social sustainability risks due to controls implemented. However, the company recognises the importance of these to its stakeholders and has developed a Sustainability Report to outline the Company's position and initiatives across several sustainability risks.

The Sustainability Report provides the Company's initiatives and targets on items including:

- Diversity
- Customer satisfaction
- Employee satisfaction
- Corporate culture
- Ethical business practices
- Supply chain
- Community support
- Environmental sustainability practices

The Company has engaged external subject matter experts to assist in the preparation of environmental risk reporting aligned with the Taskforce for Climate-related Financial Disclosure (TCFD) recommendations. The Board acknowledges that climate change is both an environmental and economic issue. TCFD disclosures are now provided in the Financial Statements and in the annually published Sustainability Report.

Suppliers to TechnologyOne are expected to comply with all applicable local, national and international laws and regulations, including in relation to bribery and corruption, modern slavery and ethical conduct. TechnologyOne undertakes due diligence of all new suppliers and has initiated an annual supplier attestation process to ensure our suppliers continue to comply.

The Sustainability Report is available on the Company's website.

## 7.5 Accounting Standards and Company Policies

Adhering to Accounting Standards and Company Policies, and the appropriate interpretation of such policies/standards, is seen as critical to managing the financial risk of Technology One. Accounting Standards and Company policies are reviewed on a regular basis by the Audit & Risk Committee working in conjunction with the Auditors, and recommendations for adoption/change are made to the Board. Compliance with Accounting Standards and Company policies are included as part of the Auditors annual review.

### Internal Controls and Compliance

The Company has an internal control framework that consists of:

- Written policies and procedures.
- Division of responsibilities to ensure appropriate segregation of duties.

- Careful selection of high calibre well qualified staff.

TechnologyOne undertakes Internal Audits in accordance with the Internal Audit schedule as approved by the Audit & Risk Committee. These audits are undertaken by the Governance, Risk & Compliance Team and reported directly through to the Audit & Risk Committee. The scope of the Internal Audits includes evidencing the responses to the semi-annual Management Attestations, ensuring the controls listed in the Enterprise Risk Register are operational, confirming findings from the previous audit are complete and to ensure that company-wide processes are being complied with.

Independent auditors are engaged to review the Company's internal controls and compliance and to provide a report to the Audit & Risk Committee. The Audit & Risk Committee oversees the Company's compliance program with relevant international standards (including ISO 9001, 27001, 27017 and 27018, SOC 1, 2 & 3. IRAP and UK Cyber Essentials).

The Company has established Practice Management teams in each business area to undertake reviews of compliance with certain operational policies and procedures. Each Practice Management Team provides quarterly reporting of their findings to the Audit & Risk Committee. An independent audit of the Practice Management reviews is undertaken by the Internal Audit team annually.

## 7.6 Remuneration Principles

TechnologyOne believes in the full disclosure of remuneration of its Directors and Key Management Personnel to the market, on at least an annual basis. Disclosure includes all monetary and non-monetary remuneration including salary, fees, non-cash benefits, bonuses or profit share accruing each year irrespective of payment, superannuation contributions, entitlements at termination or retirement, value of shares or options issued and sign-on payments.

As a matter of principle, TechnologyOne has adopted the following guidelines to motivate Directors and Senior Executives to pursue long-term growth, and ensure their interests and those of the shareholders are closely aligned:

- Remuneration packages should be set in the context of what is reasonable and fair, considering the Company's legal and industrial obligations, labour market conditions, the scale of the business and competitive forces.
- Non-Executive Directors should be remunerated solely on the basis of a cash payment, plus superannuation contributions as required by law. Non-Executive Directors should not be provided with bonuses, options, performance rights or loans. They should not participate in schemes designed for the remuneration of Senior Executives. The Company does not provide a Director's Retirement Plan.
- Non-Executive Directors will not be provided termination or retirement payments other than statutory superannuation.
- Company Senior Executives (including Executive Directors) should be provided with a significant component of their expected salary on "an at-risk basis", tied to the Company's profit target. Shares, Options or Performance Rights may also be provided as part of the "at risk component", but these must be tied to performance hurdles. The performance hurdles are to be reasonable, objective and measurable. Vesting of securities is also subject to malus and clawback provisions.
- Termination payments should be agreed in writing and in advance if any are to be provided.

## 7.7 Performance Evaluation

### Board

The Board meets annually for the purpose of reviewing and evaluating the performance of the Board as a whole, each Committee, key Executives and each Director individually in meeting key responsibilities and achieving its objectives.

The following areas were considered by the Board in its 2023 annual review:

- Performance evaluation of Directors and Senior Executives.

- Review of skills and experience of the Board for current operations of the Company and identification of any shortfalls.
- Board Chair, Director and CEO succession planning.
- Review of each Director's independence status.
- Review of skills matrix to ensure relevance of required skills.

To assist the Board in maximising its effectiveness, the Board and Nomination & Governance Committee have a skills matrix to provide objective information about each Director and the Board during the past year.

Each Director is encouraged to discuss any issue concerning Board performance with the Board Chair at any time.

Directors are encouraged to maintain and improve their knowledge, skills and expertise through briefings, seminars and attending professional development programs.

Remuneration of the Board is assessed every three (3) years against comparative data for Australian publicly listed companies supplied by an independent consultant and reported to the Remuneration Committee. The relative risk, time, effort, complexity of the underlying business, competency of the management team, financial performance and track record, clarity of strategy as well as the number of Board meeting required to oversee the business are used as benchmarks to determine the appropriate level of Director's fees. For years where a formal assessment of remuneration is not conducted, the Director's fees are increased by the Australian Consumer Price Index (CPI).

### Senior Executives

The performance of Senior Executives is reviewed and evaluated annually by a combination of the Company's internal performance management program and as part of the formal remuneration review that is conducted annually by the Remuneration Committee.

## 7.8 Trading in Company Securities

The Directors have resolved to adopt the following policy in relation to trading by Directors and Officers in the Company's shares.

- The Directors and Senior Executives will not engage in short term trading of the Company's shares.
- The Directors and Senior Executives will not buy or sell shares at a time when they possess information which, if disclosed publicly, would be likely to materially affect the market price of the Company's shares. Information is not considered to be generally available until a reasonable time has elapsed to allow the market to absorb these announcements.

The Directors and Senior Executives are not permitted to use the Company's shares as security for margin loans. To assist Directors and Senior Executives in abiding by these principles Trading Windows have been established, relating to when Directors and Senior Executives can buy and sell the Company's shares. These Trading Windows are open for 50 days following the full and half year result releases.

At all times, the Director or Senior Executive must notify the Board (as a minimum the Board Chair) in advance of any intended transactions involving the Company's shares. It is recognised that there may be circumstances where it may not be appropriate for Directors and Senior Executives to buy and sell within the above Trading Window in the event the Company is involved in strategic initiatives (such as acquisitions), which could materially affect the market price of the Company's shares.

The Directors and Senior Executives must advise the Company Secretary of any completed trades immediately once each transaction is done. This will allow the Company Secretary sufficient time to notify the ASX of the change in shareholding within the required period.

A register of Director's holdings is made available for inspection at every Board meeting.

This policy applies to Directors and Senior Executives (including their nominee companies) and the entities which they control.

For the purpose of this Policy, Senior Executive is deemed to include the following parties:



- For personal use only
- a) persons named by the Chief Executive Officer / Managing Director from time to time who may be involved in strategic issues
  - b) persons named by the Chief Executive Officer / Managing Director from time to time who are involved in financial reporting
  - c) Senior Executives of the Company as defined as Officers in section 9 of the Corporations Act being: 'any person by whatever name called who is concerned or takes part in the management of the Company'.

In addition to the policy for Directors and Senior Executives, all employees are reminded of the Insider Trading provisions of the Corporations Act. Staff are reminded of their obligations during the Trading Windows.

## 7.9 Shareholders' Rights and Communication

The Board of Directors aim to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The information is communicated to shareholders, and forms part of the Company's two-way investor relations program:

- By ensuring that all shareholders can elect to receive information and communications from the Company's share registry either physically or electronically and can update their preferences through the share registry.
- By the Annual Report being distributed to all shareholders. The Board ensures the Annual Report contains all relevant information about the operations of the Company during the financial year, together with details of future developments and other disclosures required under the *Corporations Act 2001*.
- By publishing its Notice of Meeting and Explanatory Memorandum for each Annual General Meeting (AGM) or other such meetings as required from time to time.
- By encouraging shareholders to attend and participate in the Company's Annual General Meeting.
- By encouraging shareholders to participate in proxy voting should they be unable to attend the Company's AGM.
- By enabling shareholders to pose questions to the Company in the lead up to the AGM for responding during the meeting.
- By facilitating polls for each resolution voted during an AGM.
- By the Half Year results released to the market;
- By disclosures forwarded to the ASX under the Company's continuous disclosure obligations.
- Through the Company's website, under a special area called Investor Relations.
- By the Company's participation in scheduled briefings with institutional shareholders and security analysts.
- By the participation of the Company's Auditors and Solicitors at the AGM.

TechnologyOne held its inaugural hybrid technology AGM in February 2023 with favourable feedback from its shareholders. TechnologyOne informed its shareholders at that meeting that it will continue to utilise this hybrid technology whenever possible for future AGMs, to encourage shareholder participation for those unable to attend in person. TechnologyOne does value the opportunity to meet with our shareholders face-to-face so will continue to offer that also for AGMs.

All information communicated by the Company is in accordance with its continuous disclosure requirements under ASX Listing Rule 3.1.

Legislative changes to the *Corporations Act 2001* (Cth) effective from 1 April 2022, means that companies are no longer required to send shareholder communications by mail unless specifically requested.

TechnologyOne aims to continually reduce our carbon emissions and to maintain carbon-neutrality, while continuing to provide effective communications to shareholders. By no longer sending shareholder communications by mail as the default position, we save time and cost, and it helps reduce our carbon footprint. Shareholders can still elect to receive some, or all, communications by mail if they choose.

Shareholders are encouraged to review or update their communication preferences through the Company's share registry provider. Contact details are available on the Company's website through the Investor Relations area.



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## 8. ASX Corporate Governance Principles and Recommendations 4th Edition Compliance

The Company has complied with all the recommendations outlined in the Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition.