

Outlined below are the main corporate governance policies and practices in place during the financial year ended 30 June 2023 (“FY23”). Unless otherwise stated, these are consistent with the 4th edition of the Australian Securities Exchange (“ASX”) Corporate Governance Council’s Principles and Recommendations which came into force for financial years commencing on or after 1 January 2020 (“ASXCGC Recommendations”) and copies of relevant charters, codes and policies are available on our [website](#).

This statement should be read in conjunction with the 2023 Financial Report and Annual Report.

1 Management and Oversight

Roles of the Board

ASXCGC Recommendation 1.1

The Board of Directors is responsible for the corporate governance structures and practices of the Group.

The [Board Charter](#) sets out the matters reserved to the board and those delegated to management. Under the Board Charter, the Board’s responsibilities include:

- setting the strategic direction of the Group and monitoring management’s performance within that framework;
- ensuring there are adequate resources available to meet the Group’s objectives;
- appointing and removing the Managing Director and Chief Executive Officer (“Managing Director”) and ensuring succession management practices are in place to ensure continuity in key leadership positions;
- conflicts management;
- approving and monitoring financial reporting and capital management;
- approving and monitoring the progress of business objectives;
- ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licence(s);
- ensuring that adequate risk management procedures are in place;
- ensuring that the Group has appropriate corporate governance structures in place, including standards of ethical behaviour;
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Group; and
- monitoring and guiding the culture, reputation and standards of conduct of the Group.

Board Appointments

ASXCGC Recommendations 1.2, 1.3

The Nomination Committee assists the Board with the selection and appointment of Directors, and will ensure that appropriate background checks are undertaken prior to putting a candidate forward for election.

Shareholders are provided with information regarding a director’s relevant background to assist them in their decision whether or not to elect or re-elect a director.

It has not been the Company’s practice to have written agreements with each director as it considers the role and responsibilities of directors is adequately covered under the relevant charters and policies.

The Company has written agreements with each senior executive setting out the terms of their appointment.

Company Secretary

ASXCGC Recommendation 1.4

The Group Company Secretary is the Secretary of the Board, and is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

Diversity

ASXCGC Recommendation 1.5

The Board recognises the benefits that arise from employee and board diversity and has adopted a [Diversity Policy](#).

In the Diversity Policy, “Diversity” includes, but is not limited to, gender, age, ethnicity, sexual orientation, religion, marital status, parental status, physical impairment, disability and cultural background. The Policy also requires that the Board establish measurable objectives for gender diversity.

The ASXCGC Recommendations recommend that companies disclose annually their measurable objectives for achieving gender diversity and their progress towards achieving those objectives.

The Company’s gender diversity objectives and progress towards achieving those objectives are detailed below.

Objective	Progress
Target of 30% of management roles to be held by females by 2030.	As at the date of the Group’s Workplace Gender Equality Report, 36% (2022: 24%) of managers were female. While the target is currently met following an organisational restructure undertaken in FY23, the existing objective will be retained. There were two females considered General Managers (members of the Leadership Team) and one female considered a Senior Manager in the Company as at 1 April 2023.

Objective	Progress
Pay equality to be reviewed annually.	Undertaken in accordance with annual objective.
Annual resource planning sessions with divisional managers to discuss succession planning and staff resourcing.	Undertaken in accordance with annual objective.
During each director and executive selection and appointment process, the Board will aim to consider a diverse pool of candidates.	The Company meets the objective.
Continue to assess and provide for flexible working arrangements and family support programs that balance the needs of employees with families and those of the Company.	The Company meets the objective.
Establish a program which requires senior employees to continue to stay in touch with employees on parental leave on a regular basis and provide assistance to help them successfully transition back to work.	The Company meets the objective.

In addition to the organisation monitoring progress against the diversity objectives, Peet also complies with the annual reporting requirements set by the Workplace Gender Equality Agency which requires the annual submission of a workplace profile covering gender equality indicators.

The Company's most recent 'Gender Equality Indicators' are set out in its most recent [Workplace Gender Equality Report](#).

Performance Assessment ASXCGC Recommendation 1.6

The Board undergoes periodic formal assessments and informal self-assessments as and when considered appropriate.

The assessment processes may involve the appointment of an independent, third party consultant to facilitate the process and typically include the requirement for each director to complete a questionnaire and to be interviewed by the third-party consultant. Matters assessed may include the role, composition, procedures, practices and behaviour of the Board, its committees and their members.

This would typically be followed by a facilitated workshop at which the Directors discuss the findings from the questionnaires and interviews and agree on a program of actions.

The final part of the process may involve individual feedback sessions facilitated by the independent third-party consultant.

A third-party-facilitated Board performance assessment was not completed in FY23. Refer to Section 8 for details of performance assessments undertaken for senior executives.

2 Board Structure

Nomination Committee ASXCGC Recommendation 2.1

The Company has appointed a Nomination Committee which currently comprises the full board.

While the composition of the Nomination Committee does not meet the requirements of the ASXCGC Recommendation which recommends that a majority of members of the Committee should be independent, and that it also be chaired by an independent director, the Directors consider that this is currently the most appropriate composition.

The [Nomination Committee Charter](#) provides further detail on the composition of the Committee, the running of Committee meetings, the Committee's primary duties and the process followed in the appointment of new directors.

The Nomination Committee Charter requires the Committee to meet periodically, as and when required, and it held two meetings during FY23.

Details of Directors' attendance at the Nomination Committee meetings held during FY23 is set out at item 10 in the 2023 Directors' Report.

Directors' skills and experience ASXCGC Recommendation 2.2

The Company strives to have a Board with an appropriate mix of skills and experience in order to discharge its duties effectively.

Details of the members of the Board, their experience, expertise, qualifications and independent status are set out below and in the Board of Directors section of the 2023 Annual Report.

The overall skills and experience required to competently discharge the Board's duties, having regard to Peet's strategic direction and the diversity aspirations of the Board is periodically assessed.

A summary of a skills matrix setting out the diverse skills the Board currently has is included on the next page.

Peet Limited Board skills matrix



Directors' independence
ASXCGC Recommendations 2.3, 2.4

As at the date of this report the Board comprised of five non-executive directors (including three independent directors) and one executive director.

The Board assesses the independence of Non-Executive Directors upon appointment and reviews their independence as needed in accordance with the factors relevant to assessing the independence of a director as set out in ASXCGC Recommendation 2.3.

The current composition of the Board does not meet the ASXCGC Recommendation to comprise a majority of independent directors.

Mr Tony Lennon who is (indirectly) the largest shareholder in the Company and the Non-executive Chairman, is not independent. He has been a director of the Company since 1985.

Mr Brendan Gore as the Managing Director and Chief Executive Officer of Peet is an Executive Director. He has been a director of Peet since 2007.

Mr Trevor Allen is considered independent in accordance with the factors relevant to assessing the independence of a director as set out in ASXCGC Recommendation 2.3. He has been a director of Peet since 2012.

Ms Vicki Krause is considered independent in accordance with the factors relevant to assessing the independence of a director as set out in ASXCGC Recommendation 2.3. She has been a director of Peet since 2014.

Mr Robert McKinnon is considered independent in accordance with the factors relevant to assessing the independence of a director as set out in ASXCGC Recommendation 2.3. He has been a director of Peet since 2014.

Mr Anthony Lennon is not considered independent in accordance with the factors relevant to assessing the independence of a director as set out in ASXCGC Recommendation 2.3. He has been a director of Peet since 1994.

Chairman and Managing Director
ASXCGC Recommendations 1.1, 2.5

Mr Tony Lennon, the Non-executive Chairman is not independent, however, the Board continues to believe that due to the wealth of experience in the Group's business sector and knowledge of the Group's business that he brings to the Board, he is currently the most suitable person to occupy the position of Chairman. The Chairman is responsible for:

- leading the Board in its duties to the Group;
- ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and individual directors;
- facilitating effective discussions at Board meetings; and
- ensuring effective communication with shareholders.

Mr Brendan Gore is the Managing Director of Peet.

The Managing Director's responsibilities include:

- strategy and policy direction of the operations of the Group;
- the efficient and effective operation of the Group;
- ensuring the Board is provided with accurate and clear information in a timely manner to promote effective decision-making; and
- ensuring all material matters affecting the Group are brought to the Board's attention.

Director induction and training
ASXCGC Recommendation 2.6

New directors are expected to undertake a due diligence process before agreeing to join the Board. This process includes having direct access to existing Board members and various senior managers of the Group.

This process allows new directors to obtain a sufficient understanding of the Group's business to allow them to adequately discharge their responsibilities.

The Group does not currently offer formal professional development programs to non-executive directors, but encourages them to seek attendance at various industry and professional seminars.

3 Acting Lawfully, Ethically and Responsibly

Values and behaviours

ASXCGC Recommendation 3.1

The Board believes that the success of the Group has been, and will continue to be, enhanced by a strong ethical culture within the organisation.

To reinforce the importance of ethical standards, the Board has embraced policies to ensure that all directors, executives and employees act with the utmost integrity and objectivity in their dealings with all people that they come in contact with during their tenure with the Group. The various charters and policies are periodically reviewed and updated as necessary to ensure they reflect appropriate standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

Underpinning the Company's various charters, policies and codes are the Company's values which are used to assess the performance of employees. These values form the ground rules for expected behaviours at Peet and include being people centric and applying creative intelligence and unwavering commitment.

Codes and policies

ASXCGC Recommendations 3.2, 3.3, 3.4

Employees are required to report violations of the [Code of Conduct and Ethics](#) to their immediate supervisor, or to a Whistleblower Protection Officer, in accordance with the Company's Whistleblower Policy.

The [Whistleblower Policy](#) contains procedures to ensure employees are not disadvantaged for reporting violations of the Code or other unethical conduct.

The Company does not have an anti-bribery and corruption policy as such matters are sufficiently covered by various other codes and policies adopted by the Company, including the Code of Conduct and Ethics, Whistleblower Policy, and a Gifts and Benefits Policy.

Additionally, the Company has a [Conflicts of Interest Policy \(Directors\)](#) and a [Conflicts of Interest Policy \(Employees\)](#).

4 Integrity of Corporate Reports

Audit and Risk Management Committee

ASXCGC Recommendations 4.1, 7.1

The purpose of the Audit and Risk Management Committee is to review and monitor the financial affairs of the Company and to ensure there are adequate policies in place in relation to risk management, compliance and internal control systems.

Under its [Charter](#), the Audit and Risk Management Committee consists of a minimum of three directors with a majority of independent directors. The Board selects the chairperson of the Audit and Risk Management Committee.

The Audit and Risk Management Committee will consider any matters relating to the financial affairs of Peet and any other matter referred to it by the Board.

The Audit and Risk Management Committee Charter requires the Committee to meet at least three times a year and it held six meetings during FY23.

The members of the Committee from 1 July 2022 up to the date of this report were:

- Mr T J Allen (Chairman);
- Mr A J Lennon; and
- Mr R J McKinnon.

At the discretion of the Committee, the external auditor and other members of the Board and management are invited to Committee meetings as and when considered appropriate.

The external auditors were invited to attend all of the meetings held during FY23.

The Group Company Secretary acts as secretary to the Committee and attends its meetings.

Details of the above Directors' attendance at Audit and Risk Management Committee meetings are set out at item 10 in the 2023 Directors' Report.

CEO and CFO Declarations

ASXCGC Recommendation 4.2

Prior to the approval of the FY23 financial statements, the Managing Director and Chief Financial Officer declared to the Board:

- that in their opinion the Group's 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 a sound system of risk management and internal control which is operating effectively.

Non-audited corporate reports

ASXCGC Recommendation 4.3

Not all corporate reports released to the market are subject to audit or review by the external auditor. These reports are reviewed by appropriate senior management and, where required, the Audit & Risk Management Committee and/or the Board, to ensure the reports are materially accurate, balanced and provide investors with appropriate information.

5 Timely and Balanced Disclosure

Continuous disclosure

ASXCGC Recommendations 5.1, 5.2, 5.3

The Company places a high priority on communication with shareholders and is aware of the obligations it has under the *Corporations Act 2001* and the ASX Listing Rules, to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities.

The Company has adopted a [Continuous Disclosure and External Communications Policy](#), which establishes procedures to ensure that directors and management are aware of and fulfill their obligations in relation to the timely disclosure of material price sensitive information.

The Group Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the *Corporations Act 2001* and the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

Directors automatically receive copies of all market announcements once released to the market by ASX.

Copies of investor and analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation.

6 Rights of Security Holders

Website

ASXCGC Recommendation 6.1

The Company's website offers a variety of information, including among other things, the following:

- information about the Company's activities and operations;
- news updates;
- information about the Company's governance; and
- access to documents released on the ASX Market Announcements Platform.

Investor relations

ASXCGC Recommendations 6.2, 6.3, 6.4, 6.5

Investor relations is overseen by the Managing Director and the Company regularly meets with existing and potential investors.

Information is also communicated to shareholders as follows:

- the Annual and Half-yearly Financial Reports are lodged with the ASX, with the Annual Report made available for distribution to shareholders;

- announcements of annual and interim results, results presentations and other price sensitive information are made to the ASX;
- addresses made by the Chairman and Managing Director to the Annual General Meeting ("AGM") are lodged with ASX prior to the commencement of the AGM; and
- addresses made by the Managing Director at various investor briefings, if required, are lodged with ASX.

Shareholders are entitled to attend the AGM and receive a notice of such meeting together with an explanatory memorandum of proposed resolutions (as appropriate). Shareholders are encouraged to ask questions of the Board pertaining to the formal business of the AGM and the Company's activities more broadly. If shareholders cannot attend the AGM they are entitled to lodge a proxy in accordance with the *Corporations Act 2001* and Peet's Constitution.

The external auditor is requested to attend the AGM and be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the audit report.

All resolutions considered at the 2022 AGM were decided by a poll. The Directors currently expect that resolutions to be considered at the 2023 AGM will be decided by a poll.

The Company's security holders are able to receive communication from, and send communication to, Peet and its share registry electronically.

7 Risk Management

ASXCGC Recommendations 7.2, 7.3, 7.4

The Board recognises the importance of managing the risks associated with Peet's business operations and has adopted a formal Risk Management Plan in keeping with its [Risk Management Policy](#).

Management is responsible for the design and implementation of the risk management framework and internal control systems to manage the Company's material business risks and to report to the Board on whether those risks are being managed effectively.

Individual business units are responsible for integrating the risk management framework within their business processes and systems.

The Audit and Risk Management Committee assists the Board in its risk management oversight function, receives reports from management on the Company's material business risks and monitors the effectiveness of risk management and internal control policies.

Refer to section 4.1 for further details of the Audit and Risk Management Committee.

The Board and management generally review the risk management framework annually to ensure its ongoing relevance and the identification, monitoring and reporting of risks occurs on an ongoing basis. The last review was undertaken in December 2022 and the next review is currently scheduled to take place in December 2023.

While the Company does not have an internal audit function, the Risk Management Plan represents a component of the overall internal controls of Peet. Other internal controls to mitigate operational and financial management-related risks include:

- establishing a company-wide code of conduct;
- the adoption of written policies and procedures;
- the delegation of authority across the various levels of the Company;
- detailed financial internal control measures such as separation of duties, documented review processes and controlled annual leave usage;
- establishment of reporting systems to monitor compliance;
- appointment of a compliance officer and a workplace health and safety officer;
- a network disaster recovery plan;
- various IT-related systems across the Group;
- various Management meetings (e.g. Leadership Team, project-related and budget meetings);
- review of internal controls by our auditors as part of conducting their annual financial audit of the Group; and
- various financial risk management measures in respect to liquidity risk, credit risk and interest rate risk as outlined in Note 17 of the Financial Report.

During the year, the Audit and Risk Management Committee and the Board received periodic reports on management's ongoing monitoring of, and action plans for, material business risks.

The Group's key economic, environmental and social sustainability risks, together with the approach to managing those risks, are outlined in the 2023 Directors' Report.

8 Fair and Responsible Remuneration

Remuneration Committee

ASXCGC Recommendation 8.1

The Committee operates in accordance with its [Charter](#) and its membership comprises a majority of independent directors.

The chairperson of the Remuneration Committee is the person appointed by the Board.

The Remuneration Committee Charter requires the Committee to meet at least twice a year and it held three meetings during the year.

The members of the Committee from 1 July 2022 up to the date of this report were:

- Mr R J McKinnon (Chairman);
- Mr T J Allen;
- Ms V Krause; and
- Mr A J Lennon.

Details of the above Directors' attendance at Remuneration Committee meetings are set out at item 10 in the 2023 Directors' Report.

At the discretion of the Committee, the other members of the Board, including the Managing Director, are invited to Committee meetings as and when considered appropriate.

The Group Company Secretary acts as secretary to the Committee and attends its meetings.

Remuneration policies and performance evaluation

ASXCGC Recommendations 1.7, 8.2

As at 30 June 2023, the Company's key management personnel comprised the Directors and the following members of the Leadership Team:

- Chief Operating Officer;
- Chief Financial Officer;
- Group Company Secretary; and
- Chief Investment Officer.

The Managing Director has his performance assessed by the Remuneration Committee and the Board based on various Group financial and non-financial performance criteria. The criteria are outlined in a Balanced Scorecard agreed between the Managing Director and the Board.

The Managing Director will generally also receive feedback on his performance as part of the Board's performance assessment processes.

The process for evaluating the performance of the Chief Operating Officer, Chief Financial Officer, Group Company Secretary and Chief Investment Officer generally involves an assessment of various Group financial and non-financial performance criteria. The criteria are developed based on the Managing Director's Balanced Scorecard, and will also include a focus on the respective executive's personal objectives and key performance indicators.

This performance evaluation is undertaken by the Managing Director.

A performance evaluation of the Managing Director and the other executives referred to above was undertaken in respect of FY23.

Details of key management personnel remuneration is set out at items 12 and 13 in the 2023 Directors' Report.

Equity-based remuneration scheme

ASXCGC Recommendation 8.3

The Company has adopted guidelines for dealing in securities, which:

- explains the type of conduct in relation to dealings in securities that is prohibited under the *Corporations Act 2021*, which is applicable to the Directors and all employees of the Company; and
- establishes a procedure relating to buying and selling securities that provides protection to the Company, the Directors and employees against the misuse of unpublished information which could materially affect the value of securities.

A copy of the [Guidelines for Dealing in Securities](#) (which also apply to Directors) is available in the Corporate Governance section of the Company's website.

The Company's Guidelines for Dealing in Securities prohibit the entering into of schemes by Directors and employees to protect the value of unvested entitlements under any equity-based remuneration scheme