

## **Introduction**

The Board of the Company is committed to protecting shareholders' interests and ensuring investors are fully informed about the performance of the Company's business. The Directors have undertaken to perform their duties with honesty, integrity, care and diligence, according to the law and in a manner that reflects the highest standards of corporate governance.

The policies and practices of the Company are in accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations – 4<sup>th</sup> Edition".

Unless otherwise indicated, the best practice principles of the ASX Corporate Governance Council and suggested disclosures, have been adopted by the Company for the year ended 30 June 2024 as relevant to the size and complexity of the Company and its operations.

The Corporate Governance Statement is current at the date of approval of the annual report and has been approved by the Board of Directors.

## **Principle 1: Lay solid foundations for management and oversight**

### **Recommendation 1.1: Board charter and the respective roles and responsibilities of the Board and management.**

The Board charter sets out the function and responsibilities of the Board. The Directors of the Company are accountable to shareholders for the proper management of business and affairs of the Company.

The key Board functions and responsibilities include:

- demonstrating leadership;
- defining the Company's purpose and setting its strategic objectives, including general and specific goals and reviewing actual results against those objectives, which are aimed at meeting stakeholders' objectives and managing business risk;
- overseeing management in its implementation of the Company's strategic objectives, instilling the Company's values and monitoring performance generally;
- establishing and maintaining policies directed to ensuring that the Company complies with the law and conforms to the highest standards of financial and ethical behaviour;
- ensuring that appropriate risk management systems, internal control and reporting systems and compliance frameworks are in place and are operating effectively;
- assessing the necessary and desirable competencies of Board members, review Board succession plans, evaluate its own performance and consider the appointment and removal of Directors;
- considering executive remuneration and incentive policies, the Company's recruitment, retention and termination policies and procedures for senior management and the remuneration framework for non-executive directors;
- monitoring financial performance;
- approving decisions concerning the capital, including capital restructures, and dividend policy of the Company; and
- monitoring the effectiveness of the Company's governance practices.

The Board delegates responsibility for day-to-day management of the Company to the Chief Executive Officer (CEO), subject to certain financial limits. The CEO must consult the Board on matters that are sensitive, extraordinary, of a strategic nature or matters outside the permitted financial limits.

### **Recommendation 1.2: Director and senior management appointments**

Non-Executive Directors appointed during the year hold office until the next annual general meeting, where they must stand for re-election. Each year one third of the Board of Directors (excluding the Managing Director) must retire and if they wish seek re-election at the annual general meeting. Board support for a Director's re-election is not automatic and is subject to satisfactory Director performance.

Appropriate background checks are undertaken before a Director is nominated. At the annual general meeting shareholders are provided with all material information concerning the Director seeking election or re-election.

### **Recommendation 1.3: Terms of appointment**

The Company has written agreements with all senior executives setting out the terms of their appointment. Written agreements have now been implemented for all new director appointments. The duties of the Directors as detailed above were provided to all directors.

### **Recommendation 1.4: Company secretary**

The appointment and removal of the Company Secretary is a decision of the Board. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters relating to the proper functioning of the Board and is responsible for ensuring compliance with Board procedures and governance matters. All Directors have direct access to the Company Secretary.

**Recommendation 1.5: Diversity policy**

The Group’s ultimate success is under-pinned by its employees. To maximise success, the Group encourages a diverse population of employees within its operations.

Diversity is defined to include race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, skill levels, family status, religious, political and other beliefs and work styles. The Group recognises that differences in ideas, backgrounds, patterns of thinking and approaches to work can generate value for the Group’s stakeholders: its customers, shareholders, personnel and the communities in which it operates. It is the Group’s policy to promote these differences within a productive, inclusive and performance-based environment in which everybody feels valued, where their skills are fully utilised, their performance is recognised, professional accountability is expected and organisational goals are met.

The Group’s approach to diversity is based on the following objectives:

- retain, promote and hire the best people possible, focusing on actual and potential contribution in terms of performance, competence, collaboration and professional accountability;
- foster an inclusive culture and ensure that current and future employee opportunities are based on competence and performance, irrespective of race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, family status, religious, political and other beliefs and work styles. This includes being intolerant of behaviour that denigrates or otherwise diminishes such attributes or that discriminates on the basis of such attributes;
- create and manage appropriate human resource processes which take a unified and talent-based approach to recruitment, training and development, performance management, retention and succession planning;
- provide a fair level of reward in order to attract and retain high calibre people – and build a culture of achievement by providing a transparent link between reward and performance; and
- be compliant with all mandatory diversity reporting requirements.

**The Group’s measurable objective and current gender profile:**

The Group’s measurable objective for increasing gender diversity is to increase the representation of women at all levels of its organisation over time. The Group’s progress towards achieving that objective, along with the proportion of women employees within the Group, women in senior Executive positions and women non-executive directors, is set out in the table below:

Measure	2024		2023	
	No.	%	No.	%
Women employees	27	7.0	24	6.3
Women senior executives *	-	-	-	-
Women non-executive directors	-	-	-	-

\* This includes both employees and specific contractors engaged by the Group.

**Recommendation 1.6: Board and committee performance**

The Board and its committees undertook self-assessment in accordance with their relevant charters during the financial year. The Chairman conducts annual one-on-one personal performance discussions with each of the individual Directors.

The Board was provided with all company information it needed in order to effectively discharge its responsibilities and were entitled to, and did, request additional information when considered necessary or desirable.

**Recommendation 1.7: Senior executive performance**

Reviews of the performance of Senior Executives are undertaken annually against established key performance indicators. At the same time goals and targets for the coming year are discussed and implemented. The annual evaluation of the CEO’s performance is a specific function of the Remuneration Committee.

**Principle 2: Structure the board to be effective and add value**

**Recommendation 2.1: Nomination committee**

The Company has a duly appointed nomination committee. The committee operates pursuant to a nomination committee charter. The charter sets out the responsibilities of the committee including reviewing Board succession plans to ensure an appropriate balance of skills and expertise, developing policies and procedures for the appointments of Directors and identifying Directors with appropriate qualifications to fill Board committee vacancies. The term of Non-Executive Directorships is set out in the Company’s constitution.

Given the size of the Board, the Board has determined it appropriate for the nomination committee to consist of the full Board of Directors.

**Recommendation 2.2 and 2.3: Board composition**

The Company’s Board is comprised of Non-Executive Directors.

Details of Directors and skills are detailed in the following tables:

Director	Term in office	Qualifications	Status
Graham Burns	Appointed 1 February 2008	MBA (Tech), FAICD	Not Independent
Robert Edgley	Appointed 26 August 2011	B Ec	Independent
Ian Luck	Appointed 3 July 2017	B Tech. Civil Engineering, FIE Australia, CPEng (Ret).	Independent

Areas of competence and skills of the board of directors are as follows:

Area	Competence and skills
Leadership	Business leadership
	Public listed company experience
Business & Finance	Accounting expertise
	Business strategy
	Corporate turnarounds
	Corporate financing
	Mergers and acquisitions
	Risk management
	Commercial agreements
Sustainability and Stakeholder management	Corporate governance
	Remuneration
Market and Industry	Financial services expertise
International	Geographical experience
	International business management

**Recommendation 2.4 & 2.5: Director independence & Independence of the chairman**

Directors of EVZ Limited all non-executive and are considered to be independent when they are not aligned with the interests of management or a substantial shareholder. Independent directors are free of any interest, position or relationship that might influence, or could reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole, rather than in the interests of an individual shareholder or other party.

In the context of director independence, ‘materiality’ is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and any similar factors.

When assessing the independence of a Director, the Board considers the definition of independence, and the factors set out in Box 2.4 of the ASX Corporate Governance Principles and Recommendations. In accordance with the definition of independence, and the materiality thresholds set, Mr Edgley and Mr Luck are both considered to be independent directors, representing the majority of the Board. The Board considers the depth of Company and industry knowledge and experience possessed by Non-Executive Director, Mr Burns, is of great benefit and value to the Company.

The Board believes that while the Chair is not independent, the current composition of the Board with its combined skills and capability, and its mix of experience, best serve the interests of the shareholders.

The role of Chair and Chief Executive Officer are not exercised by the same individual. In addition, there are procedures in place, agreed by the Board, to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

Profiles of the directors are set out in this annual report. All directors are subject to retirement by rotation in accordance with the Company's constitution but may stand for re-election by the shareholders. The composition of the board is determined by the board and, where appropriate, external advice is sought. The board has adopted the following principles and guidelines in determining the composition of the board:

To be independent, a director ought to be non-executive and:

- not a current executive of the Company;
- ideally not held an executive position in the Company in the previous three years;
- not a nominee or associate of a shareholder holding more than 10% of the Company's shares;
- not significantly involved in the value chain of the organisation, either upstream or downstream; and
- not a current advisor to the Company receiving fees or some other benefit, except for approved director's fees.

Directors are encouraged to be long term shareholders in the Company. Directors shareholdings are disclosed in the annual report. Any change in directors' shareholdings are disclosed in accordance with ASX Listing Rules.

#### **Recommendation 2.6: Induction and training**

Any new director will receive a letter of appointment. Directors are provided access to the Company's policies including the board's charter. At board meetings directors receive regular updates and also undertake site visits, attend customer and financier meetings as required. These assist directors to keep abreast of relevant market and industry developments.

### **Principle 3: Instil a culture of acting lawfully, ethically and responsibly**

#### **Recommendation 3.1: Articulation and disclosure of values**

The Company has formulated core values which all directors, senior executives and employees are expected, at a minimum, to follow. The core values are included in the corporate governance section of the Company's website.

#### **Recommendation 3.2: Code of conduct**

The Company has developed a code of conduct to guide all of the Company's employees, particularly directors, the CEO, the CFO and other senior executives, in respect of ethical behaviour. A copy of the code is available on its website.

These codes are designed to maintain confidence in the Company's integrity and the responsibility and accountability of all individuals within the Company for reporting unlawful and unethical practices.

These codes of conduct embrace such areas as:

- conflicts of interest
- corporate opportunities
- confidentiality
- fair dealing and trade practices
- protection of assets
- compliance with laws, regulations and industry codes
- security trading

- commitment to and recognition of the legitimate interests of stakeholders

#### **Recommendation 3.3: Whistleblower policy**

The Company has a Whistleblower protection policy in place (Whistleblower Policy), a copy of which is available on its website.

The Whistleblower Policy Encourages all employees to speak out if they have concerns about unethical, unlawful, or irresponsible behaviour within the Company. The Company has established an external helpline to assist reporting, which can be done online and anonymously if preferred. The CEO and CFO are informed of all incidents reported under the Whistleblower policy. The CEO and CFO will inform the board of any material incidents reported under the Whistleblower policy.

#### **Recommendation 3.4: Anti-bribery and corruption policy**

The Company has established an anti-bribery and corruption policy which is disclosed on the Company's website. This policy is a particular focus for the Board, as the company operates across multiple divisions and has exposure to foreign markets and cultures outside of Australia. It is a requirement of the policy that the board of directors be informed of any material breaches of the policy.

### **Principle 4: Safeguard the integrity of corporate reports**

#### **Recommendation 4.1: Audit committee**

The Board-appointed audit committee operates in accordance with the audit committee charter. The details of the committee meetings held during the year and attendance at those meetings are detailed in the directors' meeting schedule in the directors' report.

The audit committee consists of:

- Robert Edgley - Chairperson
- Ian Luck
- Graham Burns

Each of the members of the committee is a Non-Executive Director and the Chairman of the committee is not the Chairman of the Board. Mr Edgley and Mr Luck are both considered to be independent, representing the majority of the committee. Refer further commentary around independence at recommendation 2.5 above. The CEO and the CFO/Company Secretary may attend the meetings at the invitation of the committee. All members of the committee are financially literate (i.e. they are able to read and understand financial statements) and have an understanding of the industry in which the Company operates.

The audit committee provides an independent review of:

- financial information produced by the Company;
- the accounting policies adopted by the Company;
- the effectiveness of the accounting and internal control systems and management reporting which are designed to safeguard company assets;
- the quality of the external audit functions;
- external auditor's performance and independence as well as considering such matters as replacing the external auditor where and when necessary; and
- identifying risk areas.

#### **Recommendation 4.2: CEO and CFO assurance**

The CEO and CFO have provided to the Board formal declarations that the integrity of the financial statements is founded on a system of risk management and internal control which supports the policies adopted by the Board and that the Company's risk management and internal control system is operating effectively in all material respects to manage the Company's material business risks.

#### **Recommendation 4.3: Integrity of corporate reports**

The Company's periodic corporate reports are subject to comprehensive review and auditing. The process ensures that the Company is satisfied that any reports that are issued by the Company are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions.

### **Principle 5: Make timely and balanced disclosure**

#### **Recommendation 5.1: Continuous disclosure**

The board recognises that the Company, as an entity listed on the ASX, has an obligation to make timely and balanced disclosure in accordance with the requirements of the Australian Securities Exchange Listing Rules and the Corporations Act 2001. The board also is of the view that an appropriately informed shareholder base and market is essential to an efficient market for the Company's securities. The board is committed to ensuring that shareholders and the market have timely and balanced disclosure of material matters concerning the Company.

In demonstration of this commitment, the Company has adopted a continuous disclosure policy which can be accessed under the corporate governance section of the Company's website.

**Recommendation 5.2: Board to receive copies of material market announcements**

The Company secretary ensures that the board receives timely copies of all material market announcements made in accordance with the continuous disclosure requirements. The Company's continuous disclosure policy can be accessed under the corporate governance tab of the Company's website.

**Recommendation 5.3: Investor / Analyst presentations**

As documented in the Company's continuous disclosure policy, when the Company gives a new and material investor or analyst presentation, a copy of the presentation materials are provide to the ASX ahead of the presentation. The Company's continuous disclosure policy can be accessed under the corporate governance tab of the Company's website.

**Principle 6: Respect the rights of security holders**

**Recommendation 6.1: Company website**

The Company provides information about itself and its governance procedures to its investors via its website. The corporate governance policies are disclosed on the website through a specific corporate governance tab, as are copies of annual reports, and biographies for directors and key management.

**Recommendation 6.2: Investor relations program**

*Investor updates:*

The Company provides regular investor updates via the ASX website to communicate the Company's performance and strategies. These updates typically focus on the Company's financial performance and strategies.

*Annual general meeting and annual reports:*

The Company's Annual General Meeting enables security holders to engage directly with the board and key management. The CEO and Company Secretary also meet with security holders upon request and respond to any inquiries that may be made from time to time. The Company's annual report and associated investor presentation are released to the ASX and copies are available on the Company's website.

*Regular release of financial information:*

The Company financial results are announced every 6 months with full year results released via the ASX in August and half year results in February. In between full and half year results, the Company also releases material information on contract wins and other relevant information to the ASX throughout the year as events occur.

**Recommendation 6.3: Participation at meetings by security holders**

The Company's AGM provides shareholders with the opportunity to vote on resolutions recommended by the board, hear directly from the board and CEO and ask questions of the board.

The Company's AGM is usually held in November. The Chairman and CEO's AGM presentations and voting results are released to the ASX on the day of the meeting.

**Recommendation 6.4: Substantive resolutions decided by poll**

All substantive resolutions are decided by poll, rather than by a show of hands.

**Recommendation 6.5: Electronic communication**

The Company provides security holders with the option to receive communications from the entity and its security registry, such as notice of meetings, explanatory memorandums, proxy forms and annual reports electronically. A corporate email address is provided via the

Company's website to allow security holders to communicate with the Company. The Company's share registry provider remains Computershare.

Since 2020, the Company has ceased producing hard printed copies of its annual report for environmental reasons. Shareholders who have registered to receive electronic communication from the Company's share register will receive access to an electronic copy of the annual report together with the notice of annual general meeting.

Arrangements for hard copy annual reports can be made by request via the corporate email address on the Company's website.

#### **Principle 7: Recognise and manage risk**

##### **Recommendation 7.1: Risk committee**

Overall risk management is the responsibility of the Risk Committee and covered within that committee's charter. A copy of the charter is available on the company's website.

##### **Recommendation 7.2: Risk management framework**

The Risk Committee has implemented a Risk Register matrix framework under which, matters of higher risk or higher likelihood of occurrence are reported at least monthly to the Board. In addition, a monthly project risk report is tabled at Board meetings for consideration.

##### **Recommendation 7.3: Internal audit**

The Company does not currently have any internal audit function. The Board considers that given the Company's current size there is no benefit in having an internal audit function. Independent advice will be sought as necessary. The Board has overall responsibility for the identification, assessment, management and monitoring of the risks faced by the Company.

##### **Recommendation 7.4: Environmental and social risks**

EVZ Group is committed to operating within a defined Environmental, Social and Governance Framework (ESG) that provides our investors, employees, and all other stakeholders with assurance that the Board and senior management are focused on leading an ethical and sustainable business. EVZ Group is committed to acting ethically and with integrity in all its business dealings and relationships.

Accordingly, EVZ Group has developed an ESG framework outlining the Groups commitment to continuous improvement in response to the ever-evolving business landscape. A copy of the Groups ESG framework can be obtained on its website at the following location:

<https://evz.com.au/assets/images/site/2023/05/EVZ-Limited-ESG-Framework-May-2023.pdf>

#### **Principle 8: Remunerate fairly and responsibly**

##### **Recommendation 8.1 and 8.2: Remuneration committee and policies**

The Company has a duly appointed remuneration committee. The committee operates pursuant to the remuneration committee charter.

The remuneration committee consists of:

- Ian Luck
- Graham Burns
- Rob Edgley

The Company's approach to remuneration is set out in the Remuneration Report contained within this annual report.

The primary responsibilities of the remuneration committee are:

- Establish appropriate remuneration policies for directors, the CEO and other senior executives which are effective in attracting and/or retaining the best directors and executives to monitor and manage EVZ Limited, whilst ensuring goal congruence between shareholders, directors and executives.
- Ensuring appropriate disclosure of remuneration in line with the Corporations Act, ASX Listing Rules and Corporate Governance guidelines.

Non-executive directors are remunerated by way of fees. They may receive options (subject to shareholder approval) but there is no scheme for retirement benefits, other than statutory superannuation. Executives are paid a salary and may be provided, under the

directors' and employees' benefits plan, with shares, performance rights and/or options and bonuses as part of their remuneration and incentive package.

There are no executive directors.

**Recommendation 8.3: Equity based remuneration scheme**

There is currently in place an EVZ Directors' and Employees' Benefits Plan (the "Plan") which allows employees, directors and others ("Eligible Persons") to be granted shares, options and performance rights in the Company. The object of this plan is to help the Company recruit, reward, retain and motivate its employees and directors.

Such shares, options and performance rights would be offered only to those eligible persons entitled to receive an invitation. Those eligible persons would be:

- a director or secretary of a group company;
- an employee in permanent full-time or permanent part-time employment of a group company; or
- a contractor to a group company.

**Recommendation 8.3: Equity based remuneration scheme (continued)**

Invitations to eligible persons will be made by the board and may be made subject to such conditions and rules as the board determines, including:

- In the case of options, the exercise period, the exercise price and the exercise conditions.
- In the case of shares, the issue price payable on acceptance of the application by the Company and issue of the shares and any other specific terms and conditions of issue.
- In the case of performance rights, the performance criteria and the performance period in which those performance criteria must be satisfied.

The issue of any securities (including options or performance rights) issued to any director, or their associates will still require shareholder approval under ASX Listing Rule 10.14.

The maximum number of shares issued pursuant to the plan would be not more than 5% of the equity interests in the Company.

*\*\*\* End of corporate governance statement \*\*\**