



## QUICKSTEP HOLDINGS LIMITED ACN 096 268 156 (the Company)

### CORPORATE GOVERNANCE STATEMENT

The responses to the recommendations below are prepared with respect to the period 1 July 2020 until 30 June 2021 (**Relevant Period**).

This Corporate Governance Statement has been prepared on the basis of the recommendations in the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

This Corporate Governance Statement is current as at 23 August 2021 and has been approved by the board of the Company (**Board**).

Corporate Governance Council recommendation	Response to recommendation
<b>I. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>	
I.1 A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	These matters are disclosed in the <i>Board Charter</i> on the Company's website under Investor Centre/Corporate Governance/Charters.
I.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	(a) During the Relevant Period no new directors were appointed or put forward for election as a director. It is noted that the Company's procedure for appointment of directors (including appropriate checks to be conducted) is set out in its <i>Policy and Procedure for Selection and Appointment of Directors</i> on the Company's website under Investor Centre/Corporate Governance/Policies. A new Company Secretary was appointed during the Relevant Period. Reference checks and a criminal history check were conducted prior to the appointment. (b) Patrick Largier, Kym Osley and Elisabeth Mannes were each re-elected as a director of the Company at the 2020 annual general meeting. Security holders were provided with all material information on each re-election decision in the Explanatory Statement attached to the Notice of Meeting.
I.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Contracts of appointment are in place with all directors and contracts of employment are in place with all senior executives.

Corporate Governance Council recommendation		Response to recommendation
I.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board and is accessible to all directors.
I.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>The Company's <i>Diversity Policy</i> is available on the Company's website under Investor Centre/Corporate Governance/Policies.</p> <p>The <i>2021 Diversity Report</i> is available on the Company's website under Investor Centre/Corporate Governance/Reports.</p> <p>The <i>2021 Workplace Gender Equality Report</i>, containing the most recent Gender Equality Indicators, is available on the Company's website under Investor Centre/Corporate Governance/Reports.</p>

Corporate Governance Council recommendation		Response to recommendation
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Company has a <i>Board Performance Evaluation Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies. This policy discloses the Company's process for periodically evaluating the performance of the Board, its committees and individual directors.</p> <p>An evaluation was undertaken during the Relevant Period in accordance with the disclosed process.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Company operates a performance evaluation program for all employees to ensure that the goals of the Company, teams and individual employees are taken into account, worked towards and achieved. Performance evaluation is implemented formally through a top-down annual process of reviewing progress and setting objectives. Feedback is provided to each employee. Performance is aligned to the annual budget and business plan adopted by the board of the Company. Ongoing informal feedback is provided to each employee by their team leader or manager. Key Performance Indicators are set for senior executives that are aligned to the Company's annual business plan and performance is measured with regards to achievement of these indicators.</p> <p>A performance review of senior executives with respect to the Relevant Period was undertaken in accordance with this process in July 2021.</p>

Corporate Governance Council recommendation	Response to recommendation
2. <b>STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>	
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Company has not fully complied with recommendation 2.1 during the Relevant Period.</p> <p>The Board has a remuneration, nomination and diversity committee. It currently has only two members (Elisabeth Mannes (Chair) and Leanne Heywood), both of whom are independent directors.</p> <p>The Board believes that the current committee membership is appropriate given the size of the Company and its Board and is able to appropriately perform the role of the committee in addressing board succession issues and ensuring that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> <p>The remuneration, nomination and diversity committee has a charter disclosed on the Company's website under Investor Centre/Corporate Governance/Charters.</p> <p>The number of times the remuneration, nomination and diversity committee met throughout the Relevant Period and the individual attendances of the committee members at those meetings is set out in the Company's directors report in its financial report for the financial year ending 30 June 2021 (held on the Company's website under Investor Centre/Financial Reports).</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The Board skills matrix setting out the mix of skills that the Board is looking to achieve in its membership, which is reviewed and updated annually, is detailed in section 4 of the <i>Policy and Procedure for Selection and Appointment of Directors</i> on the Company's website under Investor Centre/Corporate Governance/Policies.</p>

Corporate Governance Council recommendation		Response to recommendation
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Board has four independent directors, Patrick Largier, Elisabeth Mannes, Leanne Heywood and Kym Osley.</p> <p>Mark Burgess is the Chief Executive Officer and Managing Director of the Company and is therefore not independent.</p> <p>Kym Osley was appointed as a director of the Company on 11 June 2020.</p> <p>Patrick Largier was appointed as a director of the Company on 19 December 2019.</p> <p>Elisabeth Mannes was appointed as a director of the Company on 22 August 2019.</p> <p>Leanne Heywood was appointed as a director of the Company on 21 February 2019.</p> <p>Mark Burgess was appointed as a director of the Company on 18 May 2017.</p>
2.4	A majority of the board of a listed entity should be independent directors.	The Company has complied with this recommendation during the Relevant Period (see recommendation 2.3 response above).
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chair of the Board is independent and does not act as Chief Executive Officer.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<p>The induction program is set out in the Company's <i>Director Induction Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies.</p> <p>The Company is committed to ensuring its directors are adequately skilled and informed to perform their duties effectively. Through the annual board performance review process, opportunities for the development of directors' skills and knowledge are discussed. This process is set out in the Company's <i>Board Performance Evaluation Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies.</p>

Corporate Governance Council recommendation	Response to recommendation
<b>3. INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>	
3.1 A listed entity should articulate and disclose its values.	The Company's values are disclosed in its <i>Code of Conduct</i> , as disclosed on the Company's website under Investor Centre/Corporate Governance.
3.2 A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	The Company has a <i>Code of Conduct</i> , as disclosed on the Company's website under Investor Centre/Corporate Governance. The Code applies to all directors, employees and contractors of the Company and subsidiaries. Material breaches of the Code will be reported to the Company's Board or a committee of the Board.
3.3 A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a whistleblower policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	The Company has a <i>Whistleblower Policy</i> , as disclosed on the Company's website under Investor Centre/Corporate Governance. The Company's Board will be informed of any material incidents reported under the Policy.
3.4 A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</li> </ul>	The Company has an <i>Anti-bribery and Corruption Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies. Material breaches of the Policy will be reported to the Company's Board or a committee of the Board.

Corporate Governance Council recommendation	Response to recommendation
4. <b>SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>	
<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Company has fully complied with this recommendation during the Relevant Period.</p> <p>The Board has an audit, risk and compliance committee. The committee is comprised of Leanne Heywood (Chair), Kym Osley and Elisabeth Mannes, being three independent non-executive directors. The committee is chaired by an independent director, who is not the chair of the Board.</p> <p>The Company has disclosed the relevant qualifications and experience of the committee members in the Company's directors report in its financial report for the financial year ending 30 June 2021 (held on the Company's website under Investor Centre/Financial Reports).</p> <p>The audit, risk and compliance committee has an <i>Audit, Risk and Compliance Committee Charter</i> disclosed on the Company's website under Investor Centre/Corporate Governance/Charters.</p> <p>The number of times the audit, risk and compliance committee met throughout the Relevant Period and the individual attendances of the committee members at those meetings is set out in the Company's directors report in its financial report for the financial year ending 30 June 2021 (held on the Company's website under Investor Centre/Financial Reports).</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Company has fully complied with this recommendation during the Relevant Period.</p>

Corporate Governance Council recommendation		Response to recommendation
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	The Company's process to verify its periodic corporate reports is set out in section 4.9 of its <i>Continuous Disclosure and Stakeholder Communication Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies.
5.	<b>MAKE TIMELY AND BALANCED DISCLOSURE</b>	
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	The Company has a <i>Continuous Disclosure and Stakeholder Communication Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Board receives copies of all market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	A copy of all new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation.
6.	<b>RESPECT THE RIGHTS OF SECURITY HOLDERS</b>	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company provides information about itself and its governance to investors via its website at <a href="http://www.quickstep.com.au">www.quickstep.com.au</a> . Governance information is set out in the Investor Centre/Corporate Governance section of the Company's website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	The Company's investor relations program is outlined in the <i>Continuous Disclosure and Stakeholder Communication Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies.



Corporate Governance Council recommendation		Response to recommendation
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<p>These processes are outlined in the <i>Continuous Disclosure and Stakeholder Communication Policy</i> on the Company's website under Investor Centre/Corporate Governance/Policies.</p> <p>The Company's meetings are intended to give shareholders an opportunity to consider and vote on the resolutions before the meeting and ask questions of the Board, management and auditor (if relevant) generally on the items of business before the meeting, the management of the Company or the conduct of the audit and the auditor's report (for an annual general meeting).</p> <p>The Company's policies to facilitate and encourage participation at meetings include to provide a reasonable opportunity for shareholders, as a whole at the meeting, to ask questions of the Board, answer shareholders' questions honestly and fairly and inform shareholders as to the proxy position with respect to the resolutions to be considered by the meeting and the manner in which the chair of the meeting intends to vote available proxies.</p> <p>To facilitate and encourage participation of shareholders to attend during the COVID-19 pandemic, the Company's annual general meeting held during the Relevant Period was held via a webinar conferencing facility.</p>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	The Company held its annual general meeting of shareholders during the Relevant Period. All resolutions at this meeting were decided by a poll rather than a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically.

Corporate Governance Council recommendation	Response to recommendation
7. <b>RECOGNISE AND MANAGE RISK</b>	
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company has fully complied with this recommendation during the Relevant Period.</p> <p>The Board has an audit, risk and compliance committee. The committee is comprised of Leanne Heywood (Chair), Kym Osley and Elisabeth Mannes, being three independent non-executive directors. The committee is chaired by an independent director, who is not the chair of the Board.</p> <p>The audit, risk and compliance committee has an <i>Audit, Risk and Compliance Committee Charter</i> disclosed on the Company's website under Investor Centre/Corporate Governance/Charters.</p> <p>The number of times the audit, risk and compliance committee met throughout the Relevant Period and the individual attendances of the committee members at those meetings is set out in the Company's directors report in its financial report for the financial year ending 30 June 2021 (held on the Company's website under Investor Centre/Financial Reports).</p>
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Company's risk management framework is based on the requirements of the AS9100 Quality Management System – Requirements for Aviation, Space and Defence Organisations and ISO 31000 Risk Management – Principles and Guidelines.</p> <p>The Company's <i>Risk Management Policy</i> is disclosed on the Company's website under Investor Centre/Corporate Governance/Policies.</p> <p>The Board and/or audit, risk and compliance committee reviews the Company's risk management framework at least annually to satisfy itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. In November 2020 the audit, risk and compliance committee performed this review of the Company's risk management framework.</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p>	<p>The Company does not have an internal audit function due to the nature and relatively small size of the Company. The Board believes that the external audit work and management oversight is sufficient to identify any material breakdown in the control environment. The Board will periodically review the need for an internal audit function.</p>

Corporate Governance Council recommendation	Response to recommendation
<p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>The Company has implemented compliance and risk management frameworks.</p> <p>The Company's <i>Risk Management Policy</i> establishes a systematic approach to the identification, assessment, monitoring and management of the risks of the Company. The Policy is complemented by risk profiles which describe the risks and outline the internal and external control processes for managing and monitoring of the risks.</p> <p>The <i>Risk Management Policy</i> incorporates processes and procedures for evaluating and continually improving the effectiveness of the risk management and internal control processes.</p> <p>Management participate in reviews of the risk profiles and report periodically to the audit, risk and compliance committee on the effectiveness of the risk management framework.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>It is not considered that the Company has material exposure to environmental and social sustainability risks.</p>
<p>8.</p>	<p><b>REMUNERATE FAIRLY AND RESPONSIBLY</b></p>
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times</p>	<p>The Company has not fully complied with recommendation 8.1 during the Relevant Period.</p> <p>The Board has a remuneration, nomination and diversity committee. It currently has only two members (Elisabeth Mannes (Chair) and Leanne Heywood), both of whom are independent directors.</p> <p>The Board believes that the current committee membership is appropriate given the size of the Company and its Board and is able to appropriately perform the role of the committee in setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>The remuneration, nomination and diversity committee has a charter disclosed on the Company's website under Investor Centre/Corporate Governance/Charters.</p> <p>The number of times the remuneration, nomination and diversity committee met throughout the Relevant Period and the individual attendances of the committee members at those meetings is set out in the</p>

Corporate Governance Council recommendation		Response to recommendation
	<p>the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Company's directors report in its financial report for the financial year ending 30 June 2021 (held on the Company's website under Investor Centre/Financial Reports).</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The <i>Executive Remuneration Policy</i> and the <i>Non-Executive Director's Remuneration Policy</i> are available on the Company's website under Investor Centre/Corporate Governance/Policies.</p> <p>The Company has also disclosed its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives in its remuneration report in its financial report for the financial year ending 30 June 2021 (held on the Company's website under Investor Centre/Financial Reports).</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company's policy on hedging or transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities by participants in an equity-based remuneration plan is set out in the Company's <i>Security Trading Policy</i> which is disclosed on the Company's website under Investor Centre/Corporate Governance/Policies.</p>
9.	<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>	
9.1	<p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	Not applicable
9.2	<p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	Not applicable
9.3	<p>A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Not applicable

Corporate Governance Council recommendation	Response to recommendation
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>	
<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	Not applicable
<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	Not applicable