

# Corporate Governance Statement

For year ended 30 June 2023





# Corporate Governance Statement

For the year ended 30 June 2023

APM Human Services International Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. APM Human Services International Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 Corporate Governance Statement is dated as at 25 August 2023 and reflects the corporate governance practices in place during the year ended 30 June 2023. The 2023 Corporate Governance Statement was approved by the Board on 25 August 2023. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can also be viewed at [www.apm.net.au](http://www.apm.net.au).

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

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

### Recommendation 1.1

**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.**

The Company complies with this recommendation.

The Board Charter sets out the principles for the operation of the Board and describes the functions of the Board and the functions delegated to management of the Company.

Clause 2 of the Board Charter sets out the role, responsibilities and functions of the Board. The Board may delegate consideration to a committee of the Board specifically constituted for the relevant purpose.

Clauses 3 and 9 of the Board Charter set out the responsibilities delegated to the Chief Executive Officer, management and the company secretary.

### Recommendation 1.2

**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.**

The Company complies with this recommendation.

Under the Board Charter, it is intended that the Board should comprise a mix of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of each gender within a specified period.

Clause 4(a) of the Remuneration and Nomination Committee ("RNC") Charter notes that in considering any appointment to the Board or any appointment of Directors or executives, the Board will undertake appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history). Such checks were undertaken prior to the appointment of Mr Benjamin Wyatt at the Company's 2022 Annual General Meeting.

Clause 6(a)(v) of the Board Charter also notes that the Board will ensure that the Company provides shareholders all information to enable shareholders to make an informed decision on the election or re-election of a Director. Such information was included in the Company's 2022 Notice of Annual General Meeting.

## Corporate Governance Statement

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### Recommendation 1.3

**A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.**

The Company complies with this recommendation.

Clause 6(e) of the Board Charter notes that new Directors are to be provided with a formal letter of appointment to the Board setting out key terms and conditions of the appointment. The Company currently does have with respect of the existing Directors and in respect of all future Directors will have a written agreement with each Director and senior executive setting out the terms of their appointment.

### Recommendation 1.4

**The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.**

The Company complies with this recommendation.

Clause 9 of the Board Charter provides that the company secretary is accountable to the Board through the Chair on all matters to do with the proper functioning of the Board.

### Recommendation 1.5

**A listed entity should:**

- (a) have and disclose a diversity policy;**
- (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**
- (c) disclose in relation to each reporting period:**
  - (i) the measurable objectives set for that period to achieve gender diversity;**
  - (ii) the entity's progress towards achieving those objectives; and**
  - (iii) either:**
    - (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**
    - (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.**

**If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its Directors of each gender within a specified period.**

The Company complies with this recommendation.

The Company has a Diversity Policy which applies to the employees and officers of the Company and subsidiaries. Clause 3 of the Diversity Policy provides that the Board is responsible for setting measurable objectives to promote gender diversity and the Company's progress in achieving them. The Diversity Policy's effectiveness is measured at least annually.

The Diversity Policy is disclosed on the Company's website: <https://www.apminvestors.net.au/>.

Clause 3 of the Diversity Policy provides that the objectives set for a reporting period and the progress towards achievement of those objectives will be disclosed annually in the Company's Annual Report. This includes disclosure of the respective proportions of men and women on the board, in senior executive positions and across the whole workforce of the Company.

The Company has established a gender diversity target for the Board of no less than 30% of directors of each gender. Which has been met in FY22 and maintained in FY23, consistent with Recommendation 1.5.

The Company has set an equal target for the Executive Leadership Team (Group Executives) of no less than 30% of each gender, which has been achieved.

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The following table reports the Group's gender diversity performance at various levels within the organisation as at 30 June 2023:

<b>Diversity % of women</b>	<b>30 June 2023</b>
On the Board	33.3%
Group executives	50.0%
Across the entire workforce	73.9%

### Recommendation 1.6

**A listed entity should:**

**(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual Directors; and**

**(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.**

The Company complies with this recommendation.

Clause 7(a) of the Board Charter provides that the Board will regularly carry out a formal review of its performance, its committees and each Director and that the Board will disclose in relation to each reporting period whether a performance evaluation was undertaken.

To ensure management, as well as Board, effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the Executive Chair and CEO. Evaluations of the Executive Chair and CEO were undertaken in respect to the 2023 financial year to consider their performance and to award their Short-Term Incentives. The review was undertaken by the Remuneration and Nomination Committee and involved the review of the Executive's performance against set criteria. The results of the review were then summarised and provided to the Board of the Company.

An evaluation procedure in relation to the Board, individual Directors, Board Committees and Company executives has been adopted by the Board. An evaluation procedure took place immediately following the year-end. The evaluation of the Board as a whole was facilitated through the use of a questionnaire required to be completed by each Board Member, the results of which are summarised and discussed with the Chair of the Board and tabled for discussion at a Board Meeting. Similarly, each individual Director is required to self-assess his/her performance and to discuss the results with the Chair. The same procedure is undertaken for each of the respective Board committees.

### Recommendation 1.7

**A listed entity should:**

**(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and**

**(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.**

The Company complies with this recommendation.

Clause 7(b) of the Board Charter provides that the Board will regularly carry out a formal review of the performance of the Executive Chair, Chief Executive Officer and any Senior Management against guidelines approved by the Board.

Clause 7(b) of the Board Charter further notes that the Company will disclose its annual report whether such a performance evaluation has been undertaken during or in respect of that period. To ensure management, as well as Board, effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the Executive Chair and CEO.

Evaluations of the Executive Chair and CEO were undertaken in respect to the 2023 financial year to consider their performance and to award their Short-Term Incentives. The review was undertaken by the Remuneration and Nomination Committee and involved the review of the Executive's performance against set criteria. The results of the review were then summarized and provided to the Board of the Company.

## Corporate Governance Statement

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### Principle 2: Structure the board to add value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.

#### Recommendation 2.1

The board of a listed entity should:

**(a) have a nomination committee which:**

- (i) has at least three members, a majority of whom are independent Directors; and**
- (ii) is chaired by an independent Director, and disclose:**
- (iii) the charter of the committee;**
- (iv) the members of the committee; and**
- (v) the members of the committee; or**

**(f) 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.**

The Company partially complies with this recommendation.

The Company has adopted a RNC Charter. Clause 2 of the RNC Charter notes that, to the extent practicable given the size and composition of the Board from time to time, the RNC will comprise at least three members, a majority of whom are independent Directors. In addition, the chair of the RNC is to be an independent Director.

As at the date of this Corporate Governance Statement, the RNC is comprised of two independent non-executive Directors, being Neville Power and Benjamin Wyatt, and two non-executive Directors, being Timothy P. Sullivan and Elizabeth Q. Betten. Mr Benjamin Wyatt was appointed to the RNC during the financial year subsequent to his appointment as a director at the 2022 Annual General Meeting. The chair of the RNC is Timothy P. Sullivan, a non-executive Director. The Board considers that having an equal majority of the members who are considered independent and not having an independent Director as the chair of the RNC will not impede the ability of the RNC to undertake its role effectively.

The RNC Charter and the members of the RNC are disclosed on the Company's website: <https://www.apminvestors.net.au/>.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the committee met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This disclosure is contained within the Directors' Report.

#### Recommendation 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**

The Company complies with this recommendation.

Clause 5 of the Board Charter sets out the aim of the Board to have an appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's duties and responsibilities.

The Company's Board skills matrix is set out at the end of the Corporate Governance Statement.

## Corporate Governance Statement

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### Recommendation 2.3

**A listed entity should disclose:**

- (a) the names of the Directors considered by the board to be independent Directors;**
- (b) if a Director has an interest, position 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**
- (c) the length of service of each Director.**

The Company complies with this recommendation.

Clauses 7(c) and 13(a)-(b) of the Board Charter notes that the Company will disclose in its annual report:

- (a) the names of the Directors considered by the Board to be Independent Directors (as at the date of this Corporate Governance Statement, being Benjamin Wyatt, Robert Melia, Neville Power and Simone Blank);
- (b) if a Director has an interest, position or relationship which may be perceived to compromise a Director's independence but the Board is of the opinion that the interest, position or relationship does not compromise that Director's independence, an explanation of why the Board is of that opinion. As disclosed in the Company's 2022 Annual Report, three of the Independent Directors held or acquired Series A and B shares prior to the Company's IPO. As a result of holding those, they were issued Series C shares in the same proportion as other Series A and B shareholders. The value of the Series C Shares issued is included in the Independent Directors Remuneration for the year ended 30 June 2022, with such values dependent on the timing between the date of issue of the Series C shares and the conversion to ordinary shares upon the Company's IPO. Neville Power and Benjamin Wyatt have an unpaid exercise price attached to ordinary shares (historically known as Series C shares) held in escrow. This information is disclosed at 6.5 of the Remuneration Report and Note 21 Related Party Transactions. The Board is of the view that such issues and valuations did not compromise the independence of the relevant Directors given the materiality of the value to both the relevant Directors and the Company at the date of grant; and
- (c) the length of service of each Director which is set out in the Directors' report.

These details are set out in the Director's Report.

### Recommendation 2.4

**A majority of the board of a listed entity should be independent Directors.**

The Company was not, and as at the date of this Corporate Governance Statement, continues not to be in compliance with this recommendation.

Clause 5 of the Board Charter provides that the majority of the Board should, to the extent practicable given the size and composition of the Board from time to time, be comprised of independent Directors.

As at the date of this Corporate Governance Statement the Board is comprised of nine Directors, four of which are independent non-executive Directors and five of whom are not considered independent. The Company moved towards compliance with this recommendation with the appointment of Benjamin Wyatt at its 2022 Annual General Meeting.

In addition, during the period the Board appointed Neville Power as Lead Independent Director.

The Board considers that the mix of skills on the Board and the nature of the operations of the Company that having less than a majority of the Directors who are considered independent does not impede the ability of the Board to ensure that the decisions are made in the best interests of the Company.

### Recommendation 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 Company was not and as at the date of this Corporate Governance Statement does not comply with recommendation.

The current structure and composition of the Board has been determined having regard to the nature and size of its operations, the skill set of the Company's Directors both individually and collectively, and the best interests of Shareholders.

## Corporate Governance Statement

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The Board acknowledges the recommendation, however, does not comply with this recommendation, as the chair of the Board and founder of the Company, Megan Wynne, is currently considered by the Board not to be independent, having regard to her executive position and her substantial shareholding in the Company. Nevertheless, the Board is satisfied that deviation from Recommendation 2.5 will not be detrimental to the Company when considering Megan's considerable skills, experience and understanding of the Company's business. The Board considers that Megan adds significant value to its deliberations and expects that she will continue to bring sound judgement to the deliberations of the Board.

In addition, the Board appointed Mr Neville Power to the position of Lead Independent Director during the year to effectively lead the non-executive Directors through any matters in which the current Chair is conflicted, and to act as a point of contact for any stakeholder who wishes to engage with a Director other than the Chair on matters in which there may be a conflict.

### Recommendation 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.**

The Company complies with this recommendation.

Clause 2(b)(vii) of the Board Charter provides that the Board is responsible for the Company's induction program for new Directors and periodic review and facilitation of ongoing professional development for Directors.

Clause 10 of the Board Charter provides that new Directors will be briefed on their roles and responsibilities and the minutes and papers of Board and committee meetings will be made available to them. It also provides that time will be allocated at Board and committee meetings for the continuing education of Directors on significant issues facing the Company and changes to the regulatory environment.

## Principle 3: Promote ethical and responsible decision making

### Recommendation 3.1

**A listed entity should articulate and disclose its values.**

A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

The Company complies with this recommendation.

APM's core purpose is: Enabling Better Lives. APM's values underpin everything it does:

- Integrity: APM aims to uphold the highest standard of integrity in everything APM does.
- Customer focus: APM aims to deliver the highest quality of service for clients and customers and always look for ways to improve.
- Respect: APM recognises people are its business and maintains a culture of trust and respect in every aspect of what APM does.
- Empathy: APM approaches the challenges in people's lives with great empathy and strives to help them overcome them.
- Achievement: APM moves forward by adopting new technologies, the best evidence-based practices, and rewarding innovation and achievement.
- Teamwork: APM believes employment and being part of a team can greatly improve a person's health and wellbeing.
- Enthusiasm: APM embraces positive outcomes of change with enthusiasm to support clients, customers and teams in their day to day lives.

## Corporate Governance Statement

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### Recommendation 3.2

**A listed entity should:**

- (a) have and disclose a code of conduct for its Directors, senior executives and employees; and**
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.**

The Company complies with this recommendation.

The Company has a Code of Conduct which applies to employees, contractors, consultants, manager and Directors of the Company.

The Company's Code of Conduct is disclosed on its website: <https://www.apminvestors.net.au/>

The Company has established an independent platform to allow employees to promptly report any real or suspected violations of the Code of Conduct or related Policies. Material breaches of the Code will be reported to the Group CEO/Managing Director and Board Audit & Risk management Committee.

### Recommendation 3.3

**A listed entity should:**

- (a) have and disclose a whistle-blower policy; and**
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.**

The Company complies with this recommendation.

The Company has a Whistle-blower Protection Policy, a copy of which is available on the Company's website: <https://www.apminvestors.net.au/>

Although, the Whistle-blower Protection Policy does not provide that the Board or its delegated committee will also be informed of any material incidents reported under the Whistle-blower Protection Policy. Clause 5 of the Code of Conduct provides that employees are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO/Managing Director.

### Recommendation 3.4

**A listed entity should:**

- (a) have and disclose an anti-bribery and corruption policy; and**
- (b) ensure that the board or committee of the board is informed of any material breaches of that policy.**

The Company complies with this recommendation.

The Company has an Anti-bribery and Corruption Policy which is available on the Company's website: <https://www.apminvestors.net.au/>

Clause 4 of the Anti-bribery and Corruption Policy provides that in order to protect the Company's business from harm, individuals will need to report known or suspected wrongdoing to either their manager or by using its whistle-blower system but does not state that the Company must ensure that the Board or committee of the Board is informed of any material breaches of the policy. However, clause 5 of the Code of Conduct provides that employees are required to promptly report any real or suspected violations to the CEO of their business unit or if necessary, directly to the Group CEO/Managing Director.



## Corporate Governance Statement

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### Principle 4: Safeguard integrity in financial reporting

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

#### Recommendation 4.1

**The board of a listed entity should:**

**(a) have an audit committee which:**

- (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and**
- (ii) is chaired by an independent Director, who is not the chair of the board, and disclose:**
- (iii) the charter of the committee;**
- (iv) the relevant qualifications and experience of the members of the committee; and**
- (v) 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**

**(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.**

**Listing Rule 12.7 provides that a listed entity that is included in the S&P/ASX 300 index must comply with the Recommendation above in relation to the composition of the operation of the audit committee.**

The Company complies with this recommendation.

The Company has established an Audit and Risk Management Committee (ARMC) which is governed by the ARMC Charter which sets out its roles and responsibilities.

Clause 2(a) of the ARMC Charter provides that the ARMC should to the extent practicable, given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive Directors; and
- a majority of Directors who are independent.

Clause 2(c) of the ARMC Charter provides that the chair of the ARMC should be an independent non-executive Director who does not chair the Board. As at the date of this Corporate Governance Statement this continues to be Simone Blank, an independent non-executive Director.

At the time of this Corporate Governance Statement, the ARMC is comprised of Simone Blank, Elizabeth Q. Betten and Robert Melia.

The ARMC Charter is disclosed on the Company's website (<https://www.apminvestors.net.au>), and the Company's website includes an overview of the relevant qualifications and experience of the members of the committee.

Clause 3(a) of the ARMC Charter provides that the ARMC must meet at least two times annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the ARMC met throughout the period and the individual attendances of the members at those meetings. This information is disclosed in the Directors' Report.

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### Recommendation 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.**

The Company complies with this recommendation.

Clause 6 of the ARMC Charter provides that the ARMC will review the Company's financial statements with management and its external auditor before recommending that the Board approve the statements. The ARMC is also responsible for ensuring that appropriate processes are in place to form the basis upon which the Chief Executive Officer and Chief Financial Officer provide the recommended declarations in relation to the Company's financial statements.

### 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 complies with this recommendation.

Clause 4(a)(viii) of the ARMC Charter provides that the ARMC must ensure that any periodic corporate report the Company released to the market that has not been subject to audit or review by an external auditor, discloses the process taken to verify the integrity of its content.

## Principle 5: Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

### Recommendation 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 complies with this recommendation.

The Company has in place a Disclosure Policy, a copy of which is disclosed on the Company's website:  
<https://www.apminvestors.net.au>.

### Recommendation 5.2

**A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.**

The Company complies with this recommendation.

The Board will receive copies of all material market announcements for approval before being made, or if a disclosure committee is established, clause 4(b)(v) of the Disclosure Policy provides that the disclosure committee's responsibilities include providing the Board with copies of all material market announcements promptly after they have been made.

### Recommendation 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.**

The Company complies with this recommendation.

Clause 9(b) of the Disclosure Policy provides that ahead of any new and substantive investor or analyst presentation, a copy of the presentation materials must be released to ASX (even if the information in the presentation would not otherwise require market disclosure).

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

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

#### Recommendation 6.1

**A listed entity should provide information about itself and its governance to investors via its website.**

The Company complies with this recommendation.

The Company provides information about itself and its governance on its website (<https://www.apminvestors.net.au>) pursuant to its Shareholder Communication Policy.

#### Recommendation 6.2

**A listed entity should have an investor relations program that facilitates effective two-way communication with investors.**

The Company complies with this recommendation.

Clause 2(a)(xvii) of the Board Charter states that a function of the Board is to develop an investor relations program to facilitate effective two-way communication with investors.

The Company's Shareholder Communication Policy provides for an investor relations program which actively encourages two-way communication:

- through the Company's AGM, where Shareholder participation is actively encouraged and facilitated; and
- by providing Shareholders with information via the corporate and investor sections of the Company's website and the option to receive email communications and send email communications directly to the Company and to the Company's share registry.

#### Recommendation 6.3

**A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.**

The Company complies with this recommendation.

Clause 1(b) of the Shareholder Communication Policy states that the purpose of the Shareholder Communication Policy is to encourage and facilitate participation at the Company's general meetings and dealing promptly with the enquiries of shareholders and other stakeholders.

The Company has disclosed a copy of its Shareholder Communication Policy on its website: <https://www.apminvestors.net.au>

#### Recommendation 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 complies with this recommendation.

Clause 6(g) of the Shareholder Communication Policy states the Company will ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands. All resolutions put to shareholders at the Company's 2022 Annual General Meeting were decided by a Poll.

#### Recommendation 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 complies with this recommendation.

Clause 2 of the Shareholder Communication Policy provides Shareholders the option to receive email communications and send email communications directly to the Company and to the Company's share registry.

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### Principle 7: Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

#### Recommendation 7.1

**The board of a listed entity should:**

**(a) have a committee or committees to oversee risk, each of which:**

**(i) has at least three members, a majority of whom are independent Directors; and**

**(ii) is chaired by an independent Director, and disclose:**

**(iii) the charter of the committee;**

**(iv) the members of the committee; and**

**(v) 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**

**(f) 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.**

The Company complies with this recommendation.

Clause 2(a) of the ARMC Charter provides that the ARMC should to the extent practicable, given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive Directors; and
- a majority of Directors who are independent.

At the date of this Corporate Governance Statement, the ARMC is comprised of Simone Blank, Elizabeth Q. Betten and Robert Melia.

Clause 2(c) of the ARMC Charter provides that the chair of the ARMC should be an independent Director. As at the date of this Corporate Governance Statement the Chair of the ARMC is Simone Blank (an independent non-executive Director).

The ARMC Charter is disclosed on the Company's website: <https://www.apminvestors.net.au/>

Clause 3(a) of the ARMC Charter provides that the ARMC must meet at least two times annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the ARMC met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This information is disclosed in the Directors' Report.

Clause 15(e) of the Board Charter provides that the Company will disclose in its annual report the professional qualifications and experience of each ARMC member, the number of times the Board met to perform its role as ARMC throughout the period and the individual attendances of the members at those meetings.

Clause 7(d)(i) of the ARMC Charter provides that the Company will disclose any material exposure that the Company has to environmental or social risks and how the Company intends to manage those risks.



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### Recommendation 7.2

**The board or a committee of the board should:**

- (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**
- (b) disclose, in relation to each reporting period, whether such a review has taken place.**

The Company complies with this recommendation.

Clause 7(d) of the ARMC Charter provides that the ARMC is responsible for reviewing at least annually and monitoring the effectiveness of the Company's risk management framework to satisfy itself that it continues to be sound and the Company is operating with due regard to the risk appetite set by the Board.

Clause 7(d) of the ARMC Charter further provides that the ARMC must ensure that the Board discloses whether such a review has taken place in the Company's annual report. The Company confirms that such a review occurred during the year ended 30 June 2023.

### Recommendation 7.3

**A listed entity should disclose:**

- (a) if it has an internal audit function, how the function is structured and what role it performs; or**
- (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.**

The Company complies with this recommendation.

During the year ended 30 June 2023, the Company engaged Protiviti, an outsourced Internal Audit service provider to provide internal audit services to APM. Protiviti report to the ARMC through the Chief Risk Officer. Protiviti and the Company worked together to develop a Strategic Internal Audit Plan for FY23-FY25, including setting out the internal audit planning process, the principles which underpin the internal audit planning process, and the proposed schedule of internal auditors for FY23-25. This Strategic Internal Audit Plan was approved by the ARMC and commenced during the year ended 30 June 2023.

In addition to the Internal Audit Services provided by Protiviti, APM utilises internal and external experts to perform internal audit reviews of various functions.

Clause 4(a)(vii) of the ARMC Charter provides that the ARMC is responsible for considering whether an internal audit function is required, and if not, ensuring that the Company discloses the processes it employs to evaluate and improve its risk management and internal control processes.

Clause 4(a)(viii) of the ARMC Charter provides that where any report is not subject to audit or review by an external auditor, the ARMC must ensure that the Company discloses the process taken to verify the integrity of its content.

### Recommendation 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.**

The Company complies with this recommendation.

All material risks are contained within the Directors' Report.

## Corporate Governance Statement

continued

### Principle 8: Remunerate fairly and responsibly

A listed entity should pay Director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

#### Recommendation 8.1

**The board of a listed entity should:**

**(a) have a remuneration committee which:**

- (i) has at least three members, a majority of whom are independent Directors; and**
- (ii) is chaired by an independent Director, and disclose:**
- (iii) the charter of the committee;**
- (iv) the members of the committee; and**
- (v) 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**

**(f) 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.**

**Listing Rule 12.8 provides that a listed entity included in the S&P/ASX 300 index must have a remuneration committee comprised solely of non-executive Directors.**

The Company partially complies with this recommendation.

The RNC is governed by the RNC Charter which sets out the RNC's roles and responsibilities.

Clause 2 of the RNC Charter provides that the RNC should, to the extent practicable given the size and composition of the Board from time to time, comprise:

- at least three members;
- non-executive Directors; and
- a majority of Directors who are independent.

As at the date of this Corporate Governance Statement, the RNC is comprised of two independent non-executive Directors, being Neville Power and Benjamin Wyatt, and two non-executive Directors, being Timothy P. Sullivan and Elizabeth Q. Betten.

As at the date of this Corporate Governance Statement, the Chair of the RNC is Timothy P. Sullivan, a non-executive Director. The Board considered that having less than a majority of the members who are considered independent and not having an independent Director as the chair of the RNC will not impede the ability of the RNC to undertake its role effectively. With the appointment of Benjamin Wyatt in May 2023, it provided for an equal majority of independent and non-independent Directors on the Committee.

The RNC Charter is disclosed on the Company's website: <https://www.apminvestors.net.au/>

Clause 3(a) of the RNC Charter provides that the RNC will meet at least twice annually or as frequently as is required to undertake its role effectively.

The Company will, at the end of each reporting period, disclose in its annual report the number of times the RNC met throughout the period and the individual attendances of the members at those meetings is to be disclosed. This information is disclosed in the Directors' Report.

## Corporate Governance Statement

continued

### Recommendation 8.2

**A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.**

The Company complies with this recommendation.

Details of the Company's remuneration policies and practices for non-executive Directors, executive Directors and senior management is disclosed in the Remuneration Report contained within the financial statements.

### Recommendation 8.3

**A listed entity which has an equity-based remuneration scheme should:**

**(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**

**(b) disclose that policy or a summary of it.**

The Company complies with this recommendation

Clause 5.2 of the Securities Trading Policy prohibits the entry into "protection arrangements" for any Company securities (of Company products in the derivatives markets), including those which operate to limit the economic risk of security holdings (e.g. hedging arrangements).

The policy is disclosed on the Company's website: <https://www.apminvestors.net.au/>.

#### **Additional recommendations that apply only in certain cases**

Recommendation 9.1, 9.2 and 9.3 do not apply to the Company.

## Board skills matrix

APM is committed to ensuring that Directors have a suitable blend and balance of skill, experience, diversity and independence.

The current Directors possess an appropriate mix of skills, commitment, experience, expertise and diversity to enable the Board to acquit its responsibilities effectively and deliver the strategic priorities as a diversified health and human services company with current businesses operating in employment services, disability support, allied health services and education.

The Directors contribute sector knowledge, perspectives from international experience and specific subject matter expertise in strategic, operational and financial areas that are important to the Company's strategy and long-term growth. In particular:

- The Board demonstrates an in-depth knowledge of business operations and processes, and brings, augmented by relevant global industry expertise;
- The Board has demonstrated leadership and management skill, with Directors having experience in human services management, growth and compliance;
- The Directors have skills and experience in developing corporate strategy and overseeing high performance delivery to meet goals; and,
- The Directors are proactive in their approach to corporate business development, service innovation and cultural alignment.

The following outlines the composition of skills and experience of the Board.

## Corporate Governance Statement

continued

### Leadership

- Demonstrated successful senior executive leadership in high performance businesses
- Publicly listed company experience
- Driving cultural alignment to vision, goals and performance
- Experience in managing Group CEO performance, succession planning and talent management, including incentive programs

### Governance

- Governance experience in multi-jurisdictional compliance environments and markets
- Understanding of effective governance structures
- Experience in developing and maintaining effective risk management and controls

### Strategy

- Commercial experience in developing and implementing successful strategy
- Financial management of short and long-term strategic initiatives
- Experience in management oversight for delivery of strategic objectives, including broad scan of opportunities and threats

### Workforce health and safety

- Experience in complex workplace and workforce health and safety
- Ability to provide sound oversight on workforce safety within a health and human services context

### Environmental and social

- Understanding of and experience in social issues and policy frameworks
- Experience in overseeing environmental frameworks in global organisations
- Commitment to organisational diversity and inclusion at all levels
- Experience in integrating ESG principles throughout operational businesses

### Human services and allied health

- Strategic and operational experience in leading, developing and growing sophisticated human services in an international context
- Technical and advisory knowledge in developing and implementing service delivery programs
- Clinical governance experience in allied health services

### International experience and corporate development

- Proven experience in developing sustainable human services operations in new geographies
- Considerable mergers and acquisitions experience delivering long-term business growth
- Exposure to and experience in diverse political, cultural, regulatory and business environments

### Stakeholder management

- Experience in partnering with governments to develop and deliver programs that deliver positive social and health impacts
- Experience in regulatory policy and government affairs across jurisdictions



## Corporate Governance Statement

continued

### **Information technology and innovation**

- Knowledge of the use and governance of key information technologies
- Oversight of potential cyber security risk management
- Understanding of relevant privacy and data regulation and obligations
- Committed to leveraging digital technologies to enhance service delivery, drive competitive advantage and support cost-effective growth

### **Sales and marketing**

- Executive-level experience in sales and marketing
- Ability to build long-term customer relations across a geographically diverse customer base
- Experience in negotiating complex human services contracts

### **Financial acumen**

- Experience in financial accounting and reporting, and in corporate finance
- Experience in business modelling and financial forecasting

### **Capital management**

- Debt and equity funding strategy knowledge and experience
- Understanding of key international capital and debt markets
- Experience in developing and having oversight of long-term investment cases

### **Tax risk management and compliance**

- Experience with corporate tax policies and frameworks
- Understanding of corporate tax requirements
- Experience in tax risk management

### **Public policy and regulation**

- Experience in leading change and adaptation in line with changing public policy settings
- Oversight of regulatory frameworks
- Experience in understanding and communicating key policy positions