

SG Fleet Group Limited
Corporate Governance Statement

The Board of Directors (the ‘**Board**’) of SG Fleet Group Limited (the ‘**Company**’) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the security holders, by whom they are elected and to whom they are accountable.

This Corporate Governance Statement meets the requirements under ASX Listing Rule 4.10.3 and outlines the key corporate governance principles and practices in place. The Corporate Governance Statement reports the Company’s compliance against each of the ASX Corporate Governance Council’s “Corporate Governance Principles and Recommendations” (4th Edition) during the reporting period.

This Corporate Governance Statement has been approved by the Board and is current as at 16 August 2021.

Principles and Recommendations		Response	Compliance
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: (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.	<p>The Board has adopted a Board Charter, which formalises the roles and responsibilities of Board and management. The Board Charter is disclosed in full on the Company’s website.</p> <p>The Board Charter defines the matters that are reserved for the Board and specific matters that are delegated to management. The Board is responsible for the overall corporate governance and overall business performance of the Company. Management is responsible for implementing Board strategy as well as the efficient and effective operation of the Company on a day-to-day basis. The Chief Executive Officer (‘CEO’) oversees the implementation of the strategies approved by the Board and is accountable to the Board for all authority delegated to the senior executive team. The Board has adopted a Delegation of Duties and Powers that sets limits of authority for management.</p>	Complies
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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.	<p>The Company undertakes comprehensive reference checks prior to appointing a Director, or prior to putting that person forward as a candidate, to ensure that person is competent, experienced and would not be impaired in any way from undertaking the duties of a Director.</p> <p>The Company provides relevant information to security holders for their consideration about the attributes of candidates, together with a statement whether the Board supports the appointment or re-election.</p>	Complies
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>The terms of the appointment of a Non-Executive Director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required Committee work and other special duties, requirements to disclose their relevant interests that may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.</p> <p>Executive Directors and senior executives are issued with service contracts that detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.</p>	Complies

SG Fleet Group Limited
Corporate Governance Statement

Principles and Recommendations		Response	Compliance
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.	<p>The Company Secretary reports directly to the Board through the Chairman and is accessible to all Directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:</p> <ul style="list-style-type: none"> • advising the Board and its Committees on governance matters; • monitoring compliance of the Board and associated Committees with policies and procedures; • coordinating all Board business, including agendas, Board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings; • retaining independent professional advisors; • ensuring that the business at Board and Committee meetings is accurately minuted; and • assisting with the induction and development of Directors. 	Complies

Principles and Recommendations		Response	Compliance																								
1.5	<p>A listed entity should: (a) have a and disclose a diversity policy; (b) through its board or 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 as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) 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>The Company has adopted a Diversity Policy aimed at ensuring a work environment where people are treated fairly and with respect notwithstanding their gender, ethnicity, disability, age, parental status, sexual orientation, religious beliefs or educational experience. The Company is also committed to equal employment opportunity for all individuals and to ensuring all areas of the Company are committed to sharing responsibility for entrenching diversity and equal opportunity principles firmly into all aspects of the workplace. The Diversity Policy is reviewed on an annual basis by the Board to ensure that it is operating effectively. The Diversity Policy is disclosed in full on the Company's website.</p> <p>The Company recognises the importance of being an inclusive employer and has a strong commitment to equal opportunity and diversity, with a focus on gender diversity. Diversity drives the Company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality of service to customers, and achieve sustained growth.</p> <p>The Company celebrates the diverse range of cultural backgrounds and experiences of its employees and is committed to providing equal employment opportunities and a work environment that is free from harassment, discrimination and workplace bullying.</p> <p>Gender Diversity</p> <table border="1"> <thead> <tr> <th rowspan="2">Gender Representation</th> <th colspan="2">30 June 2020</th> <th colspan="2">30 June 2021</th> </tr> <tr> <th>Women</th> <th>Men</th> <th>Women</th> <th>Men</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>14%</td> <td>86%</td> <td>14%</td> <td>86%</td> </tr> <tr> <td>Executive</td> <td>19%</td> <td>81%</td> <td>19%</td> <td>81%</td> </tr> <tr> <td>Group</td> <td>45%</td> <td>55%</td> <td>44%</td> <td>56%</td> </tr> </tbody> </table> <p>The executive group is defined as senior executive positions reporting to the CEO, including Business Unit Heads, and those positions reporting to the Chief Financial Officer ('CFO').</p> <p>Gender diversity objectives and progress achieved during FY21 are outlined below:</p> <p>Objective 1: To continue to work towards a diverse workforce including balanced gender representation at Board and Senior Management Level.</p> <p>Progress: At Board and Senior Management Level, diversity has been identified as a key area of focus for the Company. During the Workplace Gender Equality (WGEA) reporting period. Although there was a reduction in overall promotions during 2021, the number of female employees from internal and external resources who were promoted to Management positions increased by 25%. In accordance with the recommendations of the ASX Corporate Governance Council, as the company was included in the S&P/ASX 300 Index at the commencement of the reporting period, it aims to achieve diversity in the composition of the Board, with women holding 25 per cent of Board positions by 2024, and to eventually increase this percentage to above 30%.</p>	Gender Representation	30 June 2020		30 June 2021		Women	Men	Women	Men	Board	14%	86%	14%	86%	Executive	19%	81%	19%	81%	Group	45%	55%	44%	56%	Complies
Gender Representation	30 June 2020			30 June 2021																							
	Women	Men	Women	Men																							
Board	14%	86%	14%	86%																							
Executive	19%	81%	19%	81%																							
Group	45%	55%	44%	56%																							

Principles and Recommendations		Response	Compliance
		<p>Objective 2: To implement strategies that support role and work flexibility becoming 'mainstream'.</p> <p>Progress: As a part of the recruitment process, vacancies are evaluated for their suitability for flexible work arrangements and for arrangements other than full time. An updated Flexible Work Arrangements Policy has been introduced across the Group and 12% of employees are currently accessing flexibility including part time work, a slight increase on FY20. These flexible work arrangements and the number of participants is independent of any government imposed, temporary requirements to work from home</p> <p>Eligible employees continue to be able to participate in a 'Purchase Annual Leave' program to assist with balancing family commitments across the year.</p> <p>Additionally, employer-funded paternal leave was introduced at the start of FY20.</p> <p>Objective 3: Development of strategies to specifically support gender equality in accordance with WGEA best practice guidelines, such as talent management, remuneration, recruitment and promotion.</p> <p>Progress: The priority when recruiting continues to be to ensure an appropriate mix of experience, expertise, and qualifications, regardless of age, nationality, gender, sexuality, religious beliefs or physical ability.</p> <p>The Company has continued its focus on development of female leaders with the Women and Leadership Development Program continuing to have increasing participation rates year on year.</p>	
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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	<p>The Board reviews its performance annually as well as the performance of its Committees in accordance with the process outlined in the Board Charter (which is disclosed in full on the Company's website).</p> <p>The review for the current financial year occurred during May 2021 and was led by the Chairman. The process included a Board and Committee performance assessment survey completed by all Directors, together with individual interviews with each Director conducted by the Chairman.</p>	Complies

Principles and Recommendations		Response	Compliance
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	<p>The Company has a process in place to evaluate performance at all levels of the business. The performance measures include individual and shared objectives, including demonstration and upholding of the Company's values.</p> <p>The Board reviews the performance of the CEO and CFO annually. Each Director has an opportunity to provide feedback to the Chairman in regards to performance of the CEO and CFO. The Chairman provides a consolidated report to each senior executive. A review of the performance of the CEO and CFO was undertaken by the Board in May 2021.</p> <p>The Board also reviews the performance of other senior executives annually. The CEO provides a report to the Board on the performance of senior executives, together with remuneration recommendations that must be approved by the Board after consultation with the Nomination and Remuneration Committee. The last review of senior executives in accordance with this process was undertaken in May 2021.</p>	Complies

Principle 2 – Structure the Board to add value

2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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>The Company has established a Nomination and Remuneration Committee, comprising Andrew Reitzer (Chairman of the Committee and independent Non-Executive Chairman of the Company), Cheryl Bart AO (independent Non-Executive Director), and Peter Mountford (Non-Executive Director, but not independent as he is a nominee of the Company's majority shareholder, Super Group). The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p>	Complies
-----	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

SG Fleet Group Limited
Corporate Governance Statement

2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>The Board skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience, including skills such as leadership, governance, strategy, finance, risk, IT, HR, policy development, international business and customer relationship. External consultants with specialist knowledge may be brought in to address areas where there is an attribute deficiency in the Board.</p> <p>The Board skills matrix can be found in the addendum to this Corporate Governance Statement (Addendum A).</p> <p>Information about the diversity of the Board's composition can be found under the response to Recommendation 1.5.</p>	Complies
-----	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

2.3	<p>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, association 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, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.</p>	<p>Details of the Board of Directors, their appointment date, length of service and independence status are as follows:</p> <p>Andrew Reitzer Appointment date: 12 February 2014 Length of service at reporting date: 7 years Independence status: independent Non-Executive</p> <p>Cheryl Bart AO Appointment date: 15 January 2014 Length of service at reporting date: 7 years Independence status: independent Non-Executive</p> <p>Graham Maloney Appointment date: 15 January 2014 Length of service at reporting date: 7 years Independence status: independent Non-Executive</p> <p>Peter Mountford Appointment date: 12 February 2014 Length of service at reporting date: 7 years Independence status: non-independent Non-Executive, being a nominee of the Company's majority shareholder, Super Group</p> <p>Edwin Jankelowitz Appointment date: 18 August 2015 Length of service at reporting date: 6 years Independence status: independent Non-Executive</p> <p>Robbie Blau Appointment date: 15 January 2014 Length of service at reporting date: 7 years Independence status: non-independent Executive and CEO.</p> <p>Kevin Wundram Appointment date: 18 August 2015 Length of service at reporting date: 6 years Independence status: non-independent Executive and CFO.</p> <p>Further information on the Directors is detailed in the 'Information on Directors' section of the Directors' report.</p>	Complies
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Board consists of seven Directors, including the Chairman. The majority (four) of the Board's Directors are independent – refer response to Recommendation 2.3 above.</p>	Complies
2.5	<p>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.</p>	<p>Andrew Reitzer is the Chairman and is an independent Non-Executive Director. Robbie Blau is the CEO.</p>	Complies

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 maintain the skills and knowledge needed to perform their role as directors effectively.	New Directors undertake an induction program coordinated by the Company Secretary on behalf of the Nomination and Remuneration Committee. The program includes strategy briefings, explanations of company policies and procedures, governance frameworks, cultures and values, company history, Director and executive profiles and other pertinent company information. The Nomination and Remuneration Committee annually reviews whether there is a need for existing directors to undertake professional development. Directors have an opportunity to consult and request from the Chairman of the Nomination of Remuneration Committee opportunities for professional development. A Director development program is also available and is coordinated by the Company Secretary to ensure that Directors can enhance their skills and remain abreast of important developments to enable them to discharge their Director obligations as effectively as possible.	Complies
Principle 3 – Act ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	<p>The Company instils and continually reinforces a culture across the organisation of acting lawfully, ethically and responsibly. The Board has adopted a Code of Conduct, which expresses the core values that drive the Company's behaviour and aspirations.</p> <p>These are: to focus on delivering excellence to the Company's customers; to always act in a trustworthy manner, affirming the Company's integrity; to reward initiative, leadership and innovation; to encourage mutual respect, collaboration and knowledge sharing; to foster a culture of ownership and accountability and recognise the contribution and importance of each person; and to provide a positive and dynamic workplace environment, placing importance on the achievement of work/life balance.</p> <p>The Board of Directors and all employees are expected to adhere to the values and standards in the Code of Conduct.</p> <p>The Code of Conduct is disclosed in full on the Company's website</p>	Complies
3.2	A listed entity should have and disclose a code of conduct for its directors, senior executives and employees; and ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and any other material breaches of that code that call into question the culture of the organisation.	<p>The Board has adopted a Code of Conduct for its directors, senior executives and employees (see also responses 3.1 above).</p> <p>The Board is informed of any material breaches of its Code of Conduct.</p>	Complies

SG Fleet Group Limited
Corporate Governance Statement

3.3	<p>A listed entity should have and disclose a whistleblower policy; and ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>The Board has adopted a Whistleblower Policy in accordance with the Corporations Act. The Board acknowledges that the Company's core values emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. To reinforce this culture, the Company is committed to upholding compliance with the highest standards of corporate conduct, ethics and governance. This is complemented by a commitment to maintaining an open working environment in which its employees are able to report unacceptable conduct and behaviour and without fear of intimidation or reprisal. The Whistleblower Policy encourages whistleblowers to raise concerns and reportable conduct, where there are reasonable grounds to support such action and to ensure that serious misconduct or malpractice is identified and addressed appropriately.</p> <p>The Board receives periodic reports on any incidents reported under the Whistleblower Policy. The Board reviews the Whistleblower Policy periodically.</p> <p>The Whistleblower Policy is disclosed in full on the Company's website</p>	Complies
3.4	<p>A listed entity should have and disclose an anti-bribery and corruption policy and ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>The Board has adopted an Anti-bribery and Corruption Policy. The policy details the Company's commitment to conducting its business activities with integrity and ensuring measures are in place to prevent bribery and corruption. The Company expects its employees to demonstrate honesty, integrity and fairness in all aspects of their business dealings and exercise a high standard of professionalism and ethical conduct in all their activities.</p> <p>The Board receives periodic reports on any incidents relating to or breaches of the Anti-bribery and Corruption Policy.</p> <p>The Anti-bribery and Corruption Policy is disclosed in full on the Company's website</p>	Complies

<i>Principle 4 – Safeguard integrity in corporate reporting</i>			
4.1	<p>The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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 established an Audit, Risk and Compliance Committee, comprising Graham Maloney (Chairman of the Committee and independent Non-Executive Director), Cheryl Bart AO (independent Non-Executive Director), Edwin Jankelowitz (independent Non-Executive Director), and Peter Mountford (Non-Executive Director but not independent as he is a nominee of the Company's majority shareholder, Super Group). The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>Details of the qualifications and experience of the members of the Committee are detailed in the 'Information on Directors' section of the Directors' report.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p>	Complies
4.2	<p>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>For the financial year ended 30 June 2021 and the half year ended 31 December 2020, the Company's CEO and CFO provided the Board with the required declarations.</p>	Complies

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 Audit and Risk Committee is responsible for assisting the Board in relation to the reporting of financial information and oversee the preparation of the financial statements and reports, including periodic corporate reports released to the market, as outlined in the Audit and Risk Committee Charter. The Committee is required to satisfy itself that a report is materially accurate, balanced and provides investors with appropriate information to make informed decisions, before the report can be recommend to the Board for approval and release to the market.	Complies
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Company has adopted a Continuous Disclosure Policy to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the <i>Corporations Act 2001</i> (Cth). The Company's Continuous Disclosure Policy is disclosed in full on the Company's website.	Complies
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	All Directors' email addresses are listed on the ASX announcements platform, and copies of announcements are auto-sent to the Directors as soon as they are released to the market	Complies
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's Continuous Disclosure Policy requires that investor or analyst presentation materials be released to the ASX in accordance with ASX Listing Rule 3.1.	Complies
Principle 6 – Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company maintains information in relation to governance documents, Directors and senior executives, Board and Committee charters, annual reports, ASX announcements and contact details on the Company's website.	Complies
6.2 & 6.3	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2). A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).	The Company has adopted an investor relations policy (titled 'Communications Strategy'), which is disclosed in full on the Company's website. The Company uses its website (www.sgfleet.com), annual and interim reports, market announcements, and presentations to communicate with its security holders. The Company encourages security holders to attend its AGM. Ad hoc enquiries can be made via the Company's dedicated investor enquiries email address, which is found on the Company's website.	Complies
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	All resolutions at the Company's 2020 Annual General Meeting, and resolutions at the Company's General Meeting in May 2021 were conducted by poll.	Complies

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's website contains a facility for security holders to direct enquiries to the Company electronically. Security holders can elect to receive communications from the Company electronically by contacting the Company's share registry.	Complies
-----	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

Principle 7 – Recognise and manage risk

7.1 & 7.2	<p>The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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 (7.1).</p> <p>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 (7.2).</p>	<p>The Board maintains a combined Audit, Risk and Compliance Committee.</p> <p>The members of the Committee are detailed in Recommendation 4.1 above.</p> <p>The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p> <p>The Audit, Risk and Compliance Committee reviews the Company's risk management framework and internal control framework, including the key risk indicators annually to ensure that it continues to be suitable for the Company's operations and objectives and that the Company is operating within the risk parameters set by the Board. As a consequence of the last review undertaken for the financial year ended 30 June 2021, no significant recommendations were made.</p>	Complies
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	The Company maintains a dedicated internal audit function. The function's role is to provide the Board and management with independent and objective assurance on the effectiveness of governance, risk management and internal control processes. The internal audit function is responsible for the testing of all internal controls and procedures of the Company. The head of internal audit is appointed by the Board and reports to the Audit, Risk and Compliance Committee, which determines the internal audit scope and budget each year, monitors the performance of the internal audit function and approves recommendations for implementation. The internal	Complies

	its risk management and internal control processes.	audit function works closely with the CFO and is given unrestricted access to the books and records of the Company. The internal audit function operates independently of but cooperatively with external audit.	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>The management of the Company and the execution of its business strategies are subject to risks that could adversely impact the Company's future development. An overview of the Company's risks and their management can be found in the addendum to this Corporate Governance Statement (Addendum B).</p> <p>Due to the nature of the Company's business, its operations are not exposed to material environmental or social risks.</p>	Complies
Principle 8 – Remunerate fairly and responsibly			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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>The Board has established a Nomination and Remuneration Committee and has adopted a Nomination and Remuneration Committee Charter.</p> <p>The members of the Committee are detailed in Recommendation 2.1 above.</p> <p>The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p>	Complies
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 remuneration of Non-Executive Directors, Executive Directors and other Key Management Personnel ('KMP') is disclosed in the Directors' report.	Complies
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	<p>The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company that are subject to escrow arrangements is prohibited. Where a Director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed.</p> <p>The Board of Directors, employees and connected persons are required to adhere to the procedures for buying and selling of</p>	Complies

SG Fleet Group Limited
Corporate Governance Statement

	economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	securities in accordance with the Policy for Dealing in Securities. The Policy for Dealing in Securities is disclosed in full on the Company's website.	
--	------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------	--

The full text of the Company's policies or charters adopted by the Company is disclosed on the Company's website at www.sgfleet.com.

Addendum

A. Board Skills Matrix

The table below sets out the skills that the Board considers required and confirms that those skills form part of the Board's existing experience.

Skill	Requirements Overview	Board Experience
General Experience		
Legal	Legal Experience	✓
Technology	Knowledge of IT governance, including privacy, data management and security	✓
Finance	Experience in accounting and finance	✓
Human Resources	Experience in managing human capital, remuneration and reward, industrial relations, safety, and strategic workforce planning	✓
Risk and Compliance	Experience in identifying and managing risks as they relate to an organisation, and managing regulatory compliance	✓
Acquisitions and Integration	Experience in acquisitions and post-acquisition integration	✓
Debt and Equity Raising	Experience in capital raising	✓
Multi-country Experience	Experience gained in positions outside Australia	✓
Large Corporation Experience	Experience gained with a large company	✓
Non-Executive Director Experience		✓
Executive Director Experience		✓
Other Experience		
Commercial Experience	Possesses a broad range of skills across communications, marketing and business operations	✓
Executive Management	Experience at an executive level, including the ability to appoint and evaluate executive performance and lead organisational change	✓
Industry Specific Experience		
Fleet and Asset Management		✓
Leasing		✓
Treasury and Funding		✓

B. Risks and management overview

The following is not an exhaustive list of all risks the Company is exposed to, but those considered by management to be the principal material risks:

1. Inability to predict future market movements in the used vehicle market

Operating lease arrangements are structured such that the Company is responsible for making a residual value payment to the third-party funder at the end of the lease term, regardless of actual proceeds from the sale of the vehicle. However, used vehicle prices are subject to fluctuation due to factors that are outside of the control of the Company and such fluctuations in used vehicle prices during the lease period may cause the Company to incur losses on termination of the lease.

Management

The Company has developed strict management processes to manage residual value risk. These include: (a) a disciplined residual value review and valuation process, with strong governance, including Board oversight and external audit; (b) an experienced data management team, with significant knowledge of the automotive industry; (c) access to vehicle pricing data from internal sources and external providers; (d) well-developed technological platforms that allow extensive market analysis and regular reporting; (e) the efficient and timely inspection and pricing of repairs upon return of the vehicle; and (f) the maintenance of strong relationships with manufacturers, wholesalers and key dealerships. These processes allow the Company to continuously monitor the market, review and monitor its fleet's current and expected residual value, and price proactively in line with its findings.

2. Failure to obtain funding or appropriately priced funding

The Company's business model depends on third-party funders to provide funding for its customers entering into finance leases, operating leases or novated leases. The Company has entered into principal and agency arrangements with a limited number of funders to provide the majority of its required funding across each of its products. Some of these arrangements are terminable by the funder without cause on short notice.

Management

The Company maintains a panel of funders and has established and long-standing relationships with individual funders, reducing the risk of termination of arrangements and providing alternative funding sources should the requirement arise. The Company's product diversification (which includes unfunded fleet management) also reduces the risk and severity of loss of access to any individual funder. In addition, the Company consistently seeks to develop new and alternative product, funding and delivery channels to reduce dependencies.

3. Inability to react to data breach, cyber-attack or a threat related to the interruption of the Company's systems

The Company operates in an environment that is increasingly exposed to heightened cyber-attack threats and data breach risks. Failure to put adequate measures and plans, including mitigative measures in place may result in an inability to react to data breach, cyber-attack or a threat related to the interruption of the Company's systems, operations and overall wellbeing.

Management

The Company actively monitors emails and web traffic coming into the network via the Company's internet lines for Virus, SPAM, and Malware. Some of the measures in place include placing restrictions to administrative access on staff machines, which limits the ability of some malicious code to run, use of restrictive firewalls and intrusion prevention inspection, use of core routers to carry out inspection for malicious activities, and use of a different vendor to carry out AV and web reputation scanning. Further some of these measures also include managed access and permission levels, update software protections, develop, maintain and regularly test DRP. Lastly, the Company actively engages staff in ongoing Cyber Security Awareness discussions through email correspondence, notices in the Company's intranet, including internal training released bi-annually to staff on safe online practices; secure remote access services; Data breach response plan and check list.

4. Significant change to the Fringe Benefits Tax Act, including the removal of the statutory formula

Demand for novated leases is driven by the tax concessions available to lessees under existing FBT legislation. There can be no assurance that there will be no regulatory changes in the future that may have a material effect on demand for novated leases.

Management

The Company maintains regular contact with government and decision makers to create an open dialogue regarding the current legislation and its impact on those relying on the Company's services. The Company is a member of an industry association representing major companies to which the legislation is of relevance. The association provides decision makers with information on which to base their assessment of the need for any changes to legislation. The Company's strategy includes diversification of product offerings for the salary packaging segment to include consumer loans and other products that are not impacted by FBT legislation. These efforts help minimise the risk of changes and allow the Company to mitigate against any impacts should changes occur.

5. Failure to maintain a compliance environment that ensures the business meets its regulatory, legislative, industry and contractual obligations

The Company's activities, operations and corporate practices are governed by a significant number of regulations and laws, including those related to its status as an ASX-listed entity. Failure to meet these regulations and laws may negatively impact its competitive position or its ability to attract finance via investment markets.

Management

The Company has in place a number of measures to ensure its compliance with relevant regulations and laws. These measures include: review of proposed legislation relating to the Company's activities by internal and external experts; maintenance of memberships of regional industry bodies; maintenance of ISO certification and/or Quality Framework; appropriately delegated authorities; strict adherence to all terms and obligations of contracts and associated SLAs; adequate and appropriate insurance cover at all times and compliance with the terms of the policies to avoid repudiation; and enhancement of systems to ensure timely response/compliance.