



# Corporate Governance

## Statement

SPC-GPG-GPG-003



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## 1. Purpose

The purpose of this Statement is to define the Corporate Governance criteria, role and responsibilities which Management within the Company must comply to.

The Board of Genus Plus Group LTD ('GPG' or 'the Company') is responsible for the overall corporate governance of the Company and accountable to the Company's shareholders. The Board has adopted a formal charter detailing its functions and responsibilities, which it reviews annually. Matters specifically reserved to the Board are set out in its charter.

The Company is committed to best practice and has adopted the Corporate Governance Principles and Recommendations (CGPR). This approach has been adopted notwithstanding the fact that the Company is an unlisted public company limited by guarantee and as such is not required to report against the CGPR. The Company uses the CGPR as a guide to best practice and has implemented these principles as far as they are relevant to it.

## 2. Standard

### 2.1 Role and Responsibilities of the Board and Management

The Board is responsible for, and has the authority to determine, all matters relating to the management and operation of the Company. The Board operates under a Charter, a copy of which is available in the Corporate Governance Section of the Company's website. In exercising its responsibilities, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

For example:

- Ensuring that management's objectives and activities are aligned with the expectations and risk are identified by the Board.
- Has a number of mechanisms in place to ensure this is achieved including: Board approval of a strategic plan designed to meet stakeholders' needs and manage business risk.
- Ongoing development of the strategic plan and approving initiatives and strategies designed to ensure continued growth and success of the entity; and
- Implementation of budgets by management and monitoring progress against budgets—via the establishment and reporting of both financial and non-financial key performance indicators.

Other functions reserved to the Board include:

- Approval of the annual and half-yearly financial reports;
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed, and monitored and where required reported to shareholders.

GPG Managing Director has responsibility for the day-to-day management of the Company and its businesses and is supported in this function by the GPG Leadership Team. Details of the members of the GPG Leadership Team are set out under the GPG Leadership Team profiles in the corporate governance section of the company's website at [www.genusplusgroup.com.au](http://www.genusplusgroup.com.au). The Board maintains ultimate responsibility for strategy and control of GPG and its businesses.

## 2.2 Board Committees

The Board retains full responsibility for Steering and examining the company, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board.

To this end the Board has established the following committees:

- Audit and Risk Management Committee; and
- Nomination and Remuneration Committee.

The roles and responsibilities of these committees are discussed in this Corporate Governance Statement at Section 3, Section 5, Section 8, and Section 9.

## 2.3 Role of Management

The responsibility for the operation and administration of the Company is delegated by the Board to the Managing Director and the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the executive management team.

## 2.4 Role of the Company CFO and Secretary

The Company Secretary is accountable and responsible for supporting the effectiveness of the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary works closely with the Chairman to manage the flow of information between the Board, its committees, and senior executives across the Group. Further details on the role of the Company CFO and Secretary are set out in GPG' Board Charter.

## 2.5 Appointment of Directors

The Board ensures that proper background checks are performed, prior to appointing a director. Directors appointed by the Board, and directors retiring on rotation in accordance with the Company's constitution, are required to be re-elected by shareholders at a General Meeting of the Company. All relevant information relating to the director's appointment, including details of their skills and experience are made available to shareholders in the notice meeting.

## 2.6 Performance Evaluation

The Company has written agreements in place with each director and executive setting out the terms of their appointment and outlining the key roles and responsibilities. The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of GPG. A review of the performance of the Board and key executives shall be performed annually.

## 2.7 Equal Employment Opportunity

The Company recognises that Equal Employment Opportunity is a matter of employment obligation, social justice, and legal responsibility. It also recognises that prohibiting discriminatory policies and procedures is sound management practice.

This policy has been designed to facilitate the creation of a workplace culture that maximises organisational performance through employment decisions. These decisions will be based on real business needs without regard to non-relevant criteria or distinctions and will ensure that all decisions relating to employment issues are based on merit.

The Company is committed to being an equal opportunity employer, promoting and supporting the workforce at all levels.

### 3. Structure and composition of the Board

GPG is committed to ensuring that the composition of the Board continues to include directors who bring an appropriate mix of skills, experience, and expertise to Board decision-making.

The Board currently comprises 4 directors, including 3 non-executive directors. Details of the directors, including their qualifications and date of appointment are set out below.

Name of Director	Status	Appointments	Qualifications
Simon High	Non-Executive Directors	23/10/2017	B Eng
Jose Martins	Non-Executive Directors	3/1/2018	BComm, CA
Paul Gavazzi	Non-Executive Directors	27/11/2017	LLB, BComm
David Riches	Executive	6/9/17	

Details of all directors that have served during the year, their qualifications, can be found in the Directors' Report in the Annual Report.

#### 3.1 Nomination and Remuneration Committee

The Board has established a Nomination and Remuneration Committee to provide advice, recommendations, and assistance to the Board in respect of the composition of the Board and the identification and appointment of directors and senior executives.

The Committee operates under a charter approved by the Board. The charter sets out the Committees roles and responsibilities and is available in the Corporate Governance Section of the Company's website.

The members of the Committee at the date of this report are as follows: ☐

- Jose Martins (Chairman)
- Paul Gavazzi

Details of all directors to have served on the Committee during the year, their qualifications, the number of meetings of the Committee held during the year and the attendees at those meetings can be found in the Directors' Report in the Annual Report.

All members of the Committee are non-executive directors and are independent directors. The Committee Chairman is an independent director.

#### 3.2 Board Skills and Experience

The composition of the Board is reviewed regularly to ensure that there is an appropriate balance of skills, experience, and diversity to perform the Board's duties effectively.

The composition of the Board changed significantly as a result of the restructure that took place during the year. As part of the restructuring process the Board reassessed the key attributes that are required by the Board at this point in time and appointments were made to ensure that these were appropriately covered.

The table below sets out the key skills and experience of the Board at the current time:

Area	Skills and Experience
<b>Leadership</b>	Executive leadership; Strategic thinking; Risk management; Commercial acumen
<b>Finance and compliance</b>	Financial and accounting; Legal; Corporate governance

<b>Operational</b>	Project delivery; Health and safety; Industrial relations; Human resources
<b>Sector and geographical</b>	Electrical and other contracting; Range of sectors; Domestic and international
<b>Growth</b>	Mergers and acquisitions; capital markets; business development

The Board will continue to monitor and evaluate the requirement for increased Independent representation and opportunities to add to the Board.

The Company has process in place for inducting new directors and provides opportunities for directors to develop and maintain the knowledge and skills necessary to perform their roles. Directors are given the chance to meet regularly with management of the Company and the Board operates an annual program of director site visits.

#### 4. Act ethically and responsibly

The Company has a written Code of Conduct which sets ethical standards for the directors, senior executives, and employees of the Company to ensure that their duties and responsibilities to the Company are performed with integrity. The Code of Conduct describes the Company’s requirements on matters such as confidentiality, conflicts of interest, sound employment practices, compliance with laws and regulations, the protection and proper use of company assets and the responsibilities and accountabilities of individuals for reporting and investigating reports of unethical practices.

Directors and Key Management Personnel must ensure that confidential information relating to the Company, its customers, its operations, or any other commercially sensitive matter, are not given either inadvertently or deliberately to third parties without the consent of the Company. Other than in circumstances required by law, there is no reason for Directors or Key Management Personnel to reveal confidential information. Confidential information which is to be released to legitimately interested third parties shall only be made so available after appropriate authorisation procedures have been followed.

A copy of the Company’s Corporate Code of Conduct is available in the corporate governance section of the Company’s website.

The Company also has an Anti-bribery and Corruption policy and a Whistle blower policy.

Copies of all of these policies can be found in the Corporate Governance Section of the Company’s website.

#### 5. Safeguard integrity in corporate reporting

##### 5.1 Audit and Risk Management Committee

The Board has delegated responsibility for monitoring and reviewing the integrity of financial statement and the effectiveness of internal controls to an Audit and Risk Management Committee.

The Committee operates under a charter approved by the Board. The charter sets out the Committees roles and responsibilities and is available in the Corporate Governance Section of the Company’s website.

All directors have a standing invitation to attend committee meetings where there is no conflict of interest. These committees review matters on behalf of the Board and (subject to the terms of the relevant committee’s charter):

- refer matters to the Board for decision, with a recommendation from the committee (where the committee acts in an advisory capacity); or

- determine matters (where the committee acts with delegated authority), which it then reports to the Board.

Details of the current membership and composition of each committee are set out below. The roles and responsibilities of each committee are set out in the respective committee charters.

Heading	Members	Composition
<b>Audit and Risk Committee</b>	Paul Gavazzi (Chairman) Jose Martins	<ul style="list-style-type: none"> <li>– Two or more non-executive directors</li> <li>– Members who between them have accounting and financial expertise and a sufficient understanding of the industries in which the Group operates, to be able to discharge the Committee’s mandate effectively</li> <li>– A majority of independent non-executive directors</li> <li>– Chaired by an independent director who is not the chair of the Board</li> </ul>

## 6. Recognise and manage risk

The Board determines the Company’s risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance, and internal control. The Company’s process of risk management includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations.

### 6.1 Audit and Risk Management Committee

The Board has delegated responsibility for establishing and maintaining a risk management framework to the Audit and Risk Management Committee. The Committee reports periodically to the full Board. Further details of the Committee can be found in section 5 above.

### 6.2 Review of Risk Management Framework

The Risk Management Framework is continually changing in order to maintain relevance to the business’s operations and risk exposure. The risk management framework is reviewed at least annually by the Audit and Risk Management Committee. Their view performed in the current year considered the risk management framework to be appropriate at the present time.

### 6.3 Internal Audit

The Company has a formal internal audit function in place with key processes including safety and health and the risk framework audited periodically by the Company’s quality assurance function.

The Board believes that this approach is sufficient at the present time but intends to review the internal audit structure in the coming year to ensure that the Company’s risk management and internal control processes continue to be effective as the business grows and evolves.

### 6.4 Exposure to Material Risk

The Company does not have any material exposure to economic, environmental, and social sustainability risks other than general market risks.

## 7. Remunerate fairly and Responsibility

### 7.1 Nomination and Remuneration Committee

The Board is responsible for determining and reviewing compensation arrangements for the Board and the executive team.

The Board has established a Nomination and Remuneration Committee to provide advice and recommendations with respect to remuneration matters. Further details of the Committee can be found in section 3 above.

### 7.2 Remuneration Policies and Practices

The Company has separate policies and practices for the remuneration of non-executive directors and executive directors and senior management.

A handwritten signature in black ink that reads "D. Riches".

David Riches

**Chief Executive Director**  
GenusPlus Group Ltd  
Date: 31/08/2020

## 8. Document history

### 8.1 Current document authoriser

Title	Name	Date
GPG Chief Executive Officer (CEO)	David Riches	31/08/2020

### 8.2 Revision history

Rev	Date	Author	Authoriser	Details of Amendment
0	03/10/2018	DW	DR	Initial document - draft
1	31/08/2020	DW	DR	Document reviewed for currency

### 8.3 Abbreviations & Definitions

A description of Terms used specific to this document appear in the table below.

Term	Definitions
GPG	GenusPlus Group

### 8.4 Related internal documents

Document ID	Document Title
List from final document	

### 8.5 Related external documents (none)