

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Pacific Current Group Limited
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ABN/ARBN

39 006 708 297
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Financial year ended:

30 June 2023
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- This URL on our website:  
<http://paccurrent.com/shareholders/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 25 August 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 25 August 2023

Name of authorised officer

authorising lodgement:

Tony Robinson, Chair

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	
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.	<input checked="" type="checkbox"/>	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>a) and we have disclosed a copy of our diversity policy at: <a href="http://pacurrent.com/shareholders/corporate-governance/">http://pacurrent.com/shareholders/corporate-governance/</a></p>	<p><input checked="" type="checkbox"/> (b) and (c) as set out in our Corporate Governance Statement</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement at: <a href="http://pacurrent.com/shareholders/corporate-governance/">http://pacurrent.com/shareholders/corporate-governance/</a> and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement at: <a href="http://pacurrent.com/shareholders/corporate-governance/">http://pacurrent.com/shareholders/corporate-governance/</a></p>	

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1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	

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<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and in the Directors' Report in the 2023 Financial Report at: <a href="https://paccurrent.com/shareholders/document-library/asx-announcement/">https://paccurrent.com/shareholders/document-library/asx-announcement/</a></p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	

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2.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors;</li> <li>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and the length of service of each director in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/> The recommendation was followed in full for the reporting period to 30 June 2023. The Chair is not presently considered be independent and the reasons are disclosed in the Corporate Governance Statement.	
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.	<input checked="" type="checkbox"/>	

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<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> (Refer to Code of Conduct)	
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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> (Refer to Code of Conduct)	
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> (Refer to Whistleblower Policy)	
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.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and in the Directors' Report in the 2023 Financial Report at <a href="https://paccurrent.com/shareholders/document-library/asx-announcement/">https://paccurrent.com/shareholders/document-library/asx-announcement/</a></p>	
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><input checked="" type="checkbox"/></p>	
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the process in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	



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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	
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.	<input checked="" type="checkbox"/>	
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.	<input checked="" type="checkbox"/>	

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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and in the Directors' Report in the 2023 Financial Report at <a href="https://paccurrent.com/shareholders/document-library/asx-announcement/">https://paccurrent.com/shareholders/document-library/asx-announcement/</a></p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	

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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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and, if we do, how we manage or intend to manage those risks in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a>	

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<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and the information referred to in paragraphs (4) and (5) in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a> and in the Directors' Report in our 2023 Financial Report at <a href="https://paccurrent.com/shareholders/document-library/asx-announcement/">https://paccurrent.com/shareholders/document-library/asx-announcement/</a></p>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: <a href="https://paccurrent.com/shareholders/document-library/asx-announcement/">https://paccurrent.com/shareholders/document-library/asx-announcement/</a></p> <p>(Refer Directors' Report (Remuneration Report)) and in our Corporate Governance Statement at: <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	

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Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it in our Corporate Governance Statement at:  <a href="http://paccurrent.com/shareholders/corporate-governance/">http://paccurrent.com/shareholders/corporate-governance/</a></p>	
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.		<input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		<input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		<input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable

# PACIFIC CURRENT GROUP

## 2023 CORPORATE GOVERNANCE STATEMENT

### Introduction

This *Corporate Governance Statement (Statement)*, which has been approved by the Board, describes Pacific Current Group Limited’s<sup>1</sup> corporate governance framework, policies and practices as at **25 August 2023**.

Our approach to corporate governance is based on a set of values and behaviours that underpin day-to-day activities, provide transparency and fair dealing and seek to protect PAC’s stakeholder’s interests. Pacific Current Group is committed to excellence in governance standards which the Board sees is fundamental to the sustainability of our business and performance.

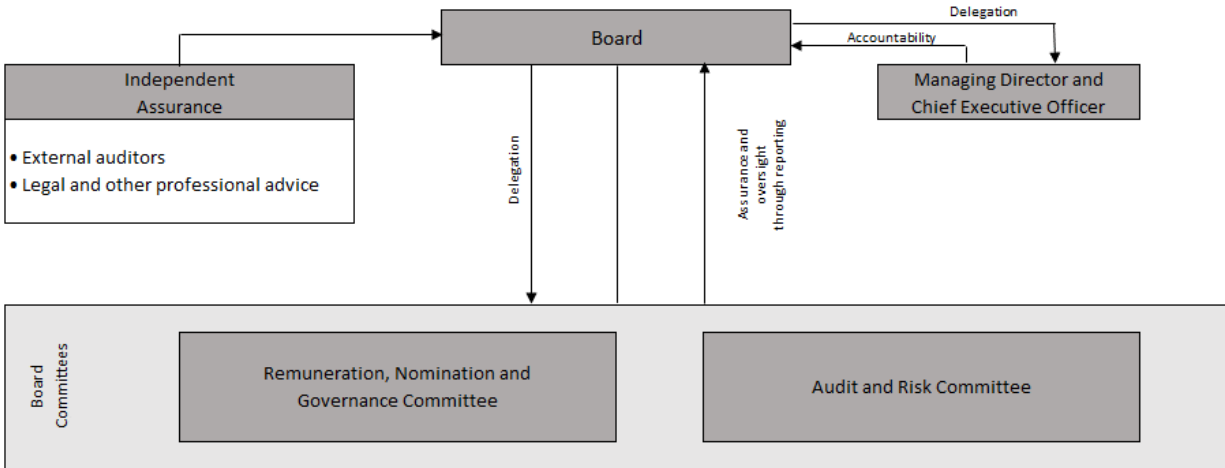
The Australian Securities Exchange (ASX) Corporate Governance Council’s *Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition (ASX Principles)*, released on 27 February 2019, set out what it considers to be best practice in conducting the business of a listed entity. The board of directors (**Board**) of Pacific Current Group Limited (**PAC**) has considered and applied the ASX Principles, taking into account the circumstances of Pacific Current Group. Where Pacific Current Group’s practices depart from a recommendation in the ASX Principles (**Recommendation**), this *Corporate Governance Statement* identifies the area of divergence and the reasons for divergence and any alternative practices adopted by the Company.

The ASX Principles took effect for PAC’s full financial year commencing on 1 July 2021. PAC reports on its compliance with the ASX Principles for the financial year ended 30 June 2023.

The ASX Principles set out recommended practice in the form of eight Principles:

1. Lay solid foundations for management and oversight.
2. Structure the Board to be effective and add value.
3. Instill a culture of acting lawfully, ethically, and responsibly.
4. Safeguard the integrity of corporate reports.
5. Make timely and balanced disclosure.
6. Respect the rights of security holders.
7. Recognise and manage risk.
8. Remunerate fairly and responsibly.

### Governance Framework



<sup>1</sup> In this Corporate Governance Statement, a reference to ‘Pacific Current’ ‘Group’, ‘PAC’, ‘Group’, ‘the Group’, ‘the Company’, ‘we’, ‘us’, ‘our’ is to Pacific Current Group Limited ABN 39 006 708 792 and its subsidiaries.

# PACIFIC CURRENT GROUP

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The diagram above shows PAC's current governance framework, including the current Committees of the Board.

The key functions of the Board and each of the Board Committees are outlined in this Statement. All Board and Committee Charters and Board approved Policies referred to in this Statement, are published in the corporate governance section on our website at <https://paccurrent.com/shareholders/corporate-governance/>.

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

### *Role of the Board and senior executives*

The Board's role is to govern Pacific Current Group rather than to manage it. The Board recognises the importance of clearly delineating between its role and the role of management and has adopted a formal statement of matters reserved to itself and a list of limitations on management in its **Board Charter**. It is the responsibility of the Board to oversee the activities of management.

The main task of the Board is to effectively represent and promote the interests of shareholders with a view to adding long-term value to Pacific Current Group's shares. The Board must also ensure that Pacific Current Group complies with all of its contractual, statutory and other legal obligations, including the requirements of any regulatory body wherever Pacific Current Group operates. The Board is accountable to shareholders for the successful operations of Pacific Current Group.

It is the role of senior executives to manage Pacific Current Group in accordance with the direction and delegations of the Board. The Board is responsible for overseeing the activities of senior executives in carrying out these delegated duties.

Full details of the Board and senior executives' roles and responsibilities are contained in the **Board Charter**.

### *New directors and executives*

Pacific Current Group enters into a written agreement with each director and senior executive setting out the key terms, conditions, and responsibilities of their position.

Each director has the right of access to all Pacific Current Group information and to Pacific Current Group's executives. The Board (collectively and individually, but subject to obtaining the Chair's prior approval) has the right to seek independent professional advice from a suitably qualified advisor, at Pacific Current Group's expense, up to specified limits, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Background checks are carried out on all new Pacific Current Group directors and employees. These checks include: gaining character references; confirming that person's experience and education; a police check; and a bankruptcy check. Shareholders are provided with all material information in Pacific Current Group's possession relevant to a decision whether or not to elect or re-elect a director.

### *Role of the company secretary*

As required by the ASX Principles, PAC's company secretary is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each director is able to communicate with the company secretary via email, videoconference and telephone. The role and responsibilities of the company secretary are set out in an agreement.

# PACIFIC CURRENT GROUP

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## *Diversity policy*

Pacific Current Group has a **Diversity Policy** that sets out the inclusion and diversity initiatives and commitment for the Group.

Pacific Current Group is committed to workplace diversity by recognising the value of individual differences and managing them in the workplace. Diversity in this context covers employees of all genders, age, physical ability, ethnicity, marital or family status, religious beliefs or cultural background, socio-economic background, gender identity and sexual orientation, perspective, and experience.

Our commitment to promote diversity within the Company includes the following actions:

- the Diversity Policy;
- a *Code of Conduct* (incorporating our statement of values) under which all employees are expected to observe the highest standards of ethical behaviours and integrity in their conduct;
- a separate *Equal Employment Opportunity and Harassment Policy* and a *Workplace Behaviour Policy*;
- our commitment to diversity and inclusion is a key tenant in the recruitment of senior management and staff, and is considered in Board succession planning;
- an *Internal Grievance Resolution Procedure* which is designed to establish a consistent approach in dealing with conflicts in the workplace, internal complaints about the work environment, as well as issues of misconduct or poor performance;
- a workplace safety program;
- an internal training program that covers diversity related issues; and
- publication of our Diversity Policy on our website [www.paccurrent.com](http://www.paccurrent.com).

To ensure that the Company maintains a properly functioning diverse and inclusive workplace, discrimination, harassment, vilification, and victimisation, cannot and will not be tolerated.

However, with a workforce of approximately 20 staff worldwide and a Board comprised of 6 directors, it is not practical for the Company to:

- set and disclose measurable objectives for achieving gender diversity in the workplace and the Directors on the Board;
- disclose progress towards achieving those objectives, including the respective proportions of men and woman across the whole workforce;
- benchmark the Company's position on diversity; and
- undertake gender pay audits.

as recommended in the ASX Principles.

The Board has established processes and procedures to ensure that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates.

The Board also recognises that employees of all genders and at all levels may have domestic responsibilities and has adopted flexible work practices that will assist them to meet those responsibilities.



# PACIFIC CURRENT GROUP

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## *Board performance evaluation*

The *Board Charter* provides for the undertaking of annual Board and Board Committee performance evaluation. As the 2022 review of performance was facilitated by an external consultant, the PAC directors undertook an internal evaluation of performance of the Board, each Committee, and the Board and Committee Chairs (**Board Review**) during the financial year ended 30 June 2023. The Board Review occurred through a detailed Board discussion facilitated by the Chair. The Chair also discussed each Director's performance with each Director individually.

The Board also considered further development actions on matters relating to process and priorities.

## *Senior executive's performance review*

The Board conducts an annual review of the performance of senior executives against pre-determined qualitative and quantitative key performance indicators (**KPIs**). This review was completed in relation to the financial year ended 30 June 2023 (**FY2023**), at which time new KPIs were set for FY2024.

## **Principle 2: Structure of the Board to be effective and add value**

### *Remuneration, Nomination and Governance Committee*

The Board has established a Remuneration, Nomination and Governance Committee. The RNGC Charter and a description of the process for appointment and selection of new directors, are both published in the corporate governance section of Pacific Current Group's website at <http://paccurrent.com/shareholders/corporate-governance/>.

The role of the RNGC is to ensure that the Company:

- has a Board of an effective composition, size, diversity and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgment to decisions regarding the composition of the Board;
- has coherent remuneration policies and practices to attract and retain directors and senior executives who will create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards the Managing Director & Chief Executive Officer and Chief Investment Officer (**MD & CEO and CIO**) and Senior Executives, having regard to the performance of the Group, the performance of the MD & CEO and CIO and Senior Executives and the general external pay environment.

In its function as a nomination committee, the RNGC assists the Board in fulfilling its corporate governance responsibilities regarding:

- Board appointments, re-elections and performance;
- Board and Committee membership;
- directors' induction and continuing development;
- succession planning; and
- strategies to address Board diversity.

As set out in its Charter, the RNGC comprises all five non-executive directors, the majority being

# PACIFIC CURRENT GROUP

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Independent, and is chaired by an Independent Non-executive Director.

During FY2023, the members of the RNGC were:

Director	Role	Non-executive	Independent
Peter Kennedy	Chair	✓	✓
Jerry Chafkin	Member	✓	✓
Melda Donnelly	Member	✓	✓
Gilles Guerin	Member	✓	✓
Tony Robinson	Member	✓	x

The RNGC met four times during FY2023. Details of attendance at RNGC meetings are included in the Directors' Report of Pacific Current Group's 2023 Financial Report (refer Directors' Meetings section) a copy of which can be found at <http://paccurrent.com/shareholders/document-library/>.

The RNGC may obtain information from, and consult with, Management and external advisers, as it considers appropriate.

*Board skills, experience, and attributes*

PAC seeks to maintain a Board of Directors with a broad range of financial and other skills, experience and knowledge necessary to guide the business of the Group. In addition, Pacific Current seeks to maintain an inclusive and diverse Board, which at a minimum, collectively has the skills and experience as set out below.

# PACIFIC CURRENT GROUP

## Board skills, experience and attributes as at 30 June 2023

Pacific Current Group Limited Directors' Skills Matrix – Year ending 30 June 2023		
Skills and Experience	Explanation	The extent (%) to which this skill is present amongst directors
<b>Funds management and/or financial services experience</b>	Experience in significant components of the funds management or financial services sector, including equity and debt capital markets. Strong knowledge of the regulatory environment. Includes advisory roles to the industry.	75%
<b>Leadership and commercial acumen</b>	Skills gained whilst performing at a senior executive level for a considerable length of time. Includes delivering superior results, running complex businesses, leading complex projects and issues, and leading workplace culture.	81%
<b>Financial acumen</b>	Good understanding of financial statements and drivers of financial performance for a business of significant size, including ability to assess the effectiveness of financial controls.	75%
<b>Risk and Compliance</b>	An understanding of compliance and experience in anticipating and evaluating macro, strategic, operational, financial, social, and technological risks that could impact the business. Recognising and managing these risks by developing sound risk management frameworks and providing oversight. Includes experience in managing compliance risks and regulatory relationships.	72%
<b>Strategy</b>	Experience in developing, setting, and executing strategic direction. Experience in driving growth and transformation, executing against a clear strategy.	78%
<b>Governance</b>	Publicly listed company experience, extensive experience in and commitment to the highest standards of governance, experience in the establishment and oversight of governance frameworks, policies and processes.	75%
<b>Technology and digital</b>	Experience in businesses of a significant size with major technology focus, including adaptation to digital change and innovation.	58%
<b>People, culture and conduct</b>	Experience in people matters including building workforce capability, workplace cultures, management development, succession and setting a remuneration framework that attracts and retains a high calibre of executives, and promotion of diversity and inclusion.	78%
<b>Stakeholder engagement</b>	Demonstrated ability to build and maintain key relationships with industry, government, or regulators.	75%

# PACIFIC CURRENT GROUP

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## *Board composition and independence*

The Board is comprised of a majority of independent, Non-executive Directors, which it considers enables adequate independent decision making.

The Board assesses the independence of Non-executive Directors on appointment and annually and as required. The annual assessment of Director independence is completed in conjunction with a review of Director tenure, director re-election nominations, and Board renewal.

The Board has reviewed the independence of its members against the guidance provided by the ASX Corporate Governance Council and considers the following Non-executive Directors to be Independent Directors (Jerry Chafkin, Melda Donnelly, Gilles Guerin and Peter Kennedy) as set out below:

Director	Role	Non-Executive	Independent	Date Appointed	Tenure (vrs/mth)
Tony Robinson	Non-executive Chair	✓	× <sup>1</sup>	28 August 2015	8.2
Paul Greenwood	MD, CEO and CIO	×	×	10 December 2014	8.10
Jerry Chafkin	Non-executive Director	✓	✓	10 April 2019	4.6
Melda Donnelly	Non-executive Director	✓	✓	28 March 2012	11.7
Gilles Guerin	Non-executive Director	✓	✓ <sup>2</sup>	10 December 2014	8.10
Peter Kennedy	Non-executive Director	✓	✓	4 June 2003	20.2

<sup>1</sup> – Mr Robinson was assessed as a Non-independent Non-Executive Director effective 24 August 2023.

<sup>2</sup> – Mr Guerin was appointed Lead Independent Director effective 24 August 2023.

As Managing Director, Mr Greenwood is an Executive Director and not independent.

Despite Mr. Kennedy's tenure, the Board has deemed him to be independent, as provided for in the ASX Principles.

## Chair Independence

Recommendation 2.5 specifies that the Chair of the board of a listed entity should be independent. Tony Robinson, Chair of PAC is not presently considered by the Board to be independent.

Tony acts as non-executive director and Chair of River Capital Pty Ltd (**River**). On 26 July 2023 River notified PAC that its substantial holding in PAC had increased to approximately 31.9% due to River and Regal Partners Limited (**Regal**) having become associates in relation to Regal's non-binding indicative proposal (**NBIP**) to acquire PAC.

PAC's Board has been informed that Tony does not act as River's representative in his capacity as PAC's Chair. Further, PAC's Board has been informed that Tony has no executive role at River and has not had, and whilst he remains a director of PAC will not have, any involvement for or on behalf of River in connection with the NBIP. Finally, PAC's Board has been informed that Tony does not have or control any shares or other securities in or of River and has no other economic interest in River (other than an entitlement to director/chairman fees). PAC's Board is not aware of any change in the nature or extent of Tony's interest, position, or relationship with River, in connection with the NBIP.

The sole reason for considering Tony as no longer independent is out of a concern that there may be a perception that Tony might be influenced in a material respect in his capacity to bring an independent judgement to bear on issues before the Board concerning Regal's NBIP, other proponents' competing

proposals, or matters affecting any such proposal.

Accordingly, the Board has appointed a Lead Independent Director, Mr Gilles Guerin. Mr Guerin is a professional company director with over 20 years of experience in capital markets and investment management. The responsibilities of the Lead Independent Director include acting as Chair when the Chair may be conflicted, assisting to review the performance of the Chair, and providing a separate channel of communication for internal and external stakeholders and shareholders, particularly where those communications may involve the Chair or an associate of the Chair.

The Board acknowledges the importance of independent board decision making and in addition to appointing Mr Guerin as the Lead Independent Director, the Board has in place formal protocols and procedures for dealing with conflicts of interest. The Board has also established an independent board committee (**IBC**) to supervise a formal process to consider and assess all proposals to acquire 100% of PAC, including Regal's NBIP. Tony is not a member of the IBC and does not participate in meetings of the IBC, and the Board considers that any conflict Tony may have in relation to Regal's NBIP, and other competing proposals is adequately managed through the IBC process.

The Board considers the concern over perception will not materially adversely affect Tony's role as chairman of the Board or the culture of openness and constructive challenge that allows for a diversity of views to be considered. The Board therefore does not consider it necessary for Tony to step down as PAC's Chair.

#### *Board induction and professional development*

In order for a new director to participate fully and actively in Board decision-making at the earliest opportunity, an induction process is carried out immediately after appointment. Where possible, this includes meetings with key executives and an induction package and presentations. Information conveyed to new directors includes:

- details of the role and responsibilities of a director;
- details of all relevant legal requirements;
- access to previous Board and Committee minutes and papers;
- a copy of the Board and Committee Charters;
- background information on and contact information for key people in the Group;
- an analysis of Pacific Current Group; and
- a copy of the Constitution of PAC.

To achieve continuing improvement in Board performance, all directors are encouraged to undertake continual professional development. Specifically, directors are provided with the resources and training to address skills gaps wherever they are identified.

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

##### *Values and Code of conduct*

To ensure that Pacific Current Group maintains the highest standards of integrity, honesty, and fairness in its dealings with all stakeholders, Pacific Current Group has adopted a **Code of Conduct** for directors, management, and employees (**Code**). The Code sets out the values, commitments, ethical standards, and policies of Pacific Current Group and outlines the standards of conduct expected of the business and Pacific Current Group's employees, taking into account Pacific Current Group's legal and other obligations to its stakeholders.

Pacific Current Group's core values and commitments are the guiding principles and norms that define what type of organization it aspires to be and what it requires from its directors, senior executives, and

# PACIFIC CURRENT GROUP

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employees to achieve that aspiration.

The Code governs all Pacific Current Group commercial operations and the conduct of directors, employees, consultants, contractors, advisors, and Pacific Current Group representatives.

The Code also outlines the responsibility and accountability of individuals for reporting and investigating unethical practices. If an employee is aware of or suspects a breach of the Code or other inappropriate behaviour, they are encouraged to promptly report this. Employees will have the benefit of protections applicable under legislation in relation to whistleblowing.

Any material breaches of the Code of Conduct are reported to the RNGC, the Audit and Risk Committee (**ARC**) or the Board (as applicable).

A copy of the Code is made available to all directors, employees, and relevant personnel. The Code can be viewed in the corporate governance section of Pacific Current Group's website at <http://paccurrent.com/shareholders/corporate-governance/>.

## *Anti-bribery and corruption policy*

Pacific Current Group is committed to conducting its business in all jurisdictions where the Company operates in an honest and ethical manner, and complying with and upholding all laws against bribery, corruption, and related conduct.

Pacific Current Group has adopted an **Anti-Bribery and Corruption Policy** which sets out its position on bribery and corruption and the responsibilities of all individuals working for or with Pacific Current Group in observing and upholding Pacific Current Group's commitment to conducting business in an ethical and honest way and with the highest level of integrity. The policy strictly prohibits the making of bribes, illegal or other improper payments to government or public officials of any country. It also provides information and guidance on how to recognise and deal with bribery and corruption issues and should be read in conjunction with the Pacific Current Group's Code of Conduct.

Any material breaches of the Anti-Bribery and Corruption Policy or incidents are reported to the Board or the ARC (as applicable).

A copy of the Anti-Bribery and Corruption Policy is made available to all directors, employees and relevant personnel. This Policy can also be viewed in the corporate governance section of Pacific Current Group's website at <http://paccurrent.com/shareholders/corporate-governance/>.

## *Whistleblower Policy*

Pacific Current Group is committed to encouraging and supporting ethical and responsible behaviour. Pacific Current Group recognises:

- the important role whistleblowing can play in the early detection of misconduct; and
- that individuals who are considering disclosing misconduct may fear retribution or other detriment and require an assurance of protection.

Pacific Current Group has adopted a **Whistleblower Policy** which establishes an internal reporting system which ensures protections for individuals who disclose misconduct and encourages employees and our partners to report known or suspected misconduct.

The Whistleblower Policy covers the following areas:

- Protected Disclosures
- Confidentiality of a whistleblower's identity

# PACIFIC CURRENT GROUP

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- Duties of employees in relation to misconduct
- Investigation of misconduct
- Protection of whistleblowers
- Notification of findings
- Protected disclosures under the Corporations Act
- Access to the policy
- Training

Any material breaches of the Whistleblower Policy are reported to the Board or the ARC (as applicable). This policy can also be viewed in the in the corporate governance section of Pacific Current Group’s website at <http://paccurrent.com/shareholders/corporate-governance/>.

## *Securities Trading Policy*

Pacific Current Group has a **Securities Trading Policy**, under which directors and employees and their associates may only trade in Pacific Current Group’s securities during specific trading windows. This policy can also be viewed in the corporate governance section of Pacific Current Group’s website at <http://paccurrent.com/shareholders/corporate-governance/>.

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

The Board has established an Audit and Risk Committee. The ARC has a formal Charter, which is published in the corporate governance section of Pacific Current Group’s website. The ARC is comprised of all five Non-executive Directors, the majority being Independent, and is chaired by an Independent Non-Executive Director.

During the financial year, the members of the ARC were:

Director	Role	Non-executive	Independent
Melda Donnelly	Chair	✓	✓
Jerry Chafkin	Member	✓	✓
Gilles Guerin	Member	✓	✓
Peter Kennedy	Member	✓	✓
Tony Robinson	Member	✓	x

All members of the ARC can critically evaluate financial statements and are financially literate. Details of members’ qualifications may be found in the director profiles in the Directors’ Report of Pacific Current Group’s 2023 Financial Report on the Company’s website.

The ARC met four times during the year ended 30 June 2023 which the Committee considered was sufficient to perform its functions. Details of attendance at ARC Committee meetings are also included in the ‘Meetings of Directors’ table in the Directors’ Report.

## *S295A declaration and related ASX Principles declaration*

The MD & CEO and CIO and Chief Financial Officer (**CFO**) have provided the Board, at the half year ended 31 December 2022 and the full year ended 30 June 2023, with a declaration in accordance with S295A of the *Corporations Act 2001 (Cth)* and *Recommendation 4.2 of the Principles*, and declared that the financial statements are founded on a sound system of risk management and internal compliance. Their statement assured the Board that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

# PACIFIC CURRENT GROUP

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## *Process to verify the integrity of any unaudited periodic corporate report released to the market*

Pacific Current Group has adopted an Internal Controls Framework which details controls in place to mitigate risk and provide reasonable assurance regarding the achievement of objectives relating to operations, financial reporting, and compliance.

The process Pacific Current Group uses to verify the content of any periodic corporate report that is not audited or reviewed by an independent auditor (such as the Directors' Report, quarterly funds under management updates, and this Corporate Governance Statement) that are released to the market, varies depending on the nature of the report, but typically includes:

- non-financial components of the report are initially prepared by the MD, CEO and CIO or CFO based on matters as known to the MD, CEO and CIO and CFO and instructions from the Company Secretary and General Counsel;
- financial components of the report are initially prepared by the CFO, based on first-hand information as to PAC's financial position;
- the initial drafts are prepared with assistance from legal, governance, finance and other expert advisers (as appropriate to the subject matter);
- each of the individuals engaged in the preparation or commentary on the initial draft is a professional with duties to identify any material that is potentially misleading, having regard to their knowledge of PAC's activities and position;
- all sections of the report are then confirmed as either
  - verified first-hand knowledge of the person preparing the report; or
  - supported by evidence (such as an original document or confirmation from another person with appropriate first-hand knowledge and accountability);
- the whole of each report (or group of reports released together) is subject to a preliminary review by each of the MD, CEO and CIO, General Counsel, Chief Operating Officer, CFO and Company Secretary, as appropriate;
- final management review by the CFO;
- where formal approval is required, consideration by the appropriate Board Committee (generally the ARC and/or the RNGC) for recommendation to the Board;
- the report is then considered and approved by all members of Board; and
- any matters not requiring formal approval by the Board are approved by the Chair and MD, CEO and CIO for release to the market.

## *Auditors and annual general meeting*

Pacific Current Group's external auditor is Ernst & Young (EY). The ARC oversees the effectiveness and performance of the external auditor and ensures the lead audit partner rotates after a maximum of five years.

Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners may be found in the corporate governance section of Pacific Current Group's website.

A representative of EY attends Pacific Current Group's annual general meeting should any shareholders



# PACIFIC CURRENT GROUP

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have questions in relation to the audit.

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

Pacific Current Group has a ***Continuous Disclosure Policy*** to ensure compliance with ASX Listing Rules disclosure requirements. This policy is published in the corporate governance section of Pacific Current Group's website.

The Board has designated PAC's Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules*, PAC immediately notifies the ASX of information:

- concerning Pacific Current Group that a reasonable person would expect to have a material effect on the price or value of PAC's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of PAC's securities.

Upon confirmation of receipt from the ASX, Pacific Current Group posts all information disclosed in accordance with this policy on Pacific Current Group's website at:

<https://paccurrent.com/shareholders/document-library/asx-announcement/>.

To enhance clarity and balance of reporting and to enable investors to make an informed assessment of Pacific Current Group's performance, financial results are accompanied by a commentary and all new and substantive investor or analyst presentations are released to the ASX ahead of the presentation and published in the document library section of Pacific Current Group's website.

As part of normal Board processes, each of the Directors receive copies of all material market announcements promptly after they have been made to ensure timely visibility of the nature and quality of the information being disclosed to the market and the frequency of such disclosures.

Pacific Current Group is committed to the equality of information among investors and ensures that a copy of any new or substantive investor or analyst presentation is released on the ASX Markets Announcement platform ahead of the presentation.

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

### *Website*

Pacific Current Group has a comprehensive corporate governance section on its website, where security holders can access all corporate governance information at

<https://paccurrent.com/shareholders/corporate-governance/>.

### *Investor relations program*

The MD & CEO and CIO co-ordinates Pacific Current Group's annual investor relations program. The Group has also engaged the services of an external investor relations consultant to assist the Group in reaching a broader group of retail and institutional investors.

Pacific Current Group undertakes bi-annual roadshows, during which the MD & CEO and CIO, the Chair, and CFO will meet with key investors. The program also involves regular dialogue with investors either directly (via email, videoconference, or telephone) or through investment analysts. PAC also provides quarterly funds under management updates to the market which are in the document library section of Pacific Current Group's website.

### *Communications with security holders and their participation at meetings*

Pacific Current Group respects the rights of its shareholders and to facilitate the effective exercise of those rights, Pacific Current Group provides its security holders with appropriate information and

facilities to allow them to exercise these rights. Pacific Current Group is committed to:

- communicating effectively with shareholders through releases to the market via the ASX Announcement Platform and Pacific Current Group's website, information for shareholders and / or related to general meetings of members of Pacific Current Group;
- giving shareholders ready access to balanced and understandable information about Pacific Current Group and corporate proposals and regularly updating its website to provide information about Pacific Current Group and its governance;
- making it easy for shareholders to participate in general meetings of Pacific Current Group;
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report; and
- making available a telephone number and electronic query service on Pacific Current Group's website for shareholders to make enquiries.

The ***Shareholder Communications Policy*** is published in the corporate governance section of Pacific Current Group's website.

To encourage shareholder engagement and participation at the Annual General Meeting (**AGM**), shareholders will have the opportunity to attend the AGM, ask questions and participate in voting. Further details on how Pacific Current Group will facilitate and encourage participation by shareholders at the AGM will be provided to shareholders in the Notice of Annual General Meeting (**NOM**).

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed resolutions by appointing a proxy online through the Share Registry's website or by completion of a proxy form. Shareholders can submit written questions to the Company and external auditor or make comments on the management of the Company as well as access AGM presentations and speeches made by the Chair and CEO prior to the commencement of the meeting. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

To uphold the principle of "one security one vote," all substantive resolutions at a meeting of shareholders are decided by poll rather than by show of hands. This way, the Chair of the meeting can ascertain the true will of the shareholders attending and voting at the meeting, whether they attend in person, electronically or by proxy or other representative.

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

### *Audit and Risk Committee*

The ARC is responsible for establishing policies on risk oversight and management.

Details on the formal Charter, members of the ARC, and attendance at ARC meetings are detailed under commentary on Principle 4 above.

### *Risk management framework*

Pacific Current Group has a Risk Management Framework (**Framework**) which is reviewed by ARC at least annually and any changes are recommended to the Board, so that the Board can satisfy itself that the Framework continues to be sound and that PAC is operating with due regard to the risk appetite set by the Board. During the financial year, the Board approved an updated Framework which details Pacific Current Group's approach for managing its material business risks and internal controls. The Framework is available on Pacific Current Group's website.

# PACIFIC CURRENT GROUP

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Pacific Current Group's enterprise Framework is based upon PAC's core business as a passive investor with principally minority interests in its underlying boutique investment managers.

This Framework recognises that Pacific Current Group faces a broad array of risks, many of which are fully in our control to manage and many others of which are outside our control. PAC categorises risks into two types: internal and external. The internal risks tend to be more controllable, and thus easier to reduce or eliminate, while the external ones are often outside our control but can often be partially mitigated, primarily through certain practices such as diversification.

Pacific Current Group does not have an independent internal audit function. Oversight of the effectiveness of Pacific Current Group's risk management and internal control processes currently form part of the responsibilities of the CFO for financial risks and controls. The Board, on the recommendation of the ARC, adopted an Internal Controls Framework which sets out the internal controls required to be in place. The ARC monitors the effectiveness of the Internal Controls Framework. Oversight of the effectiveness of Pacific Current Group's governance processes currently forms part of the responsibilities of the Company Secretary and General Counsel.

## *Material economic, environmental and social sustainability risk*

Pacific Current Group is exposed to the volatility of global financial markets, a systemic risk of being a funds management business. As a means of mitigating this risk, Pacific Current Group is strategically identifying diversification investment opportunities as they arise that are not necessarily linked to market movements or to the performance of the existing portfolio. The Board feels that shareholders of Pacific Current Group invest in the Company knowing this inherent economic risk, as it applies across the entire funds management sector.

Pacific Current Group is not generally exposed to material environmental and social risks as defined in the ASX Principles. However, Pacific Current Group will strive to conduct its business in ways that are suitably transparent and appropriately balance social and environmental benefits. Pacific Current's policy on boutique selection includes the following principles:

- We take minority positions in boutique investment management firms, believing that the principals of those firms know best how to manage their asset class and style.
- As minority investors, we do not have the authority to instruct the boutiques how to manage their investment portfolios, nor do we offer portfolio construction advice to them unless requested to do so.
- The boutique's investment portfolios may be exposed to ESG risk. However, as an investor in the boutiques (and not their portfolios), any ESG exposure PAC has is indirect through potential impacts on the boutiques themselves.

Pacific Current Group understands that sustainable success depends upon maintaining its reputation and paying attention to the demands and concerns of all stakeholders.

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

### *Remuneration and Nomination Committee*

The Board has established a Remuneration, Nomination and Governance Committee to assist the Board in making appropriate decisions about incentive schemes and superannuation arrangements. The role of the RNGC is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

# PACIFIC CURRENT GROUP

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Details of the members of the RNGC (including composition), its formal Charter and Directors' attendance, are set out under Principle 2 above.

The Board has endorsed the following senior executive remuneration policy and the non-executive director remuneration policy.

## *Board and senior executive remuneration policy*

Pacific Current Group is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice, as well as supporting the interests of shareholders. Consequently, under the Group's remuneration framework, the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual, of performance objectives and for materially improved Pacific Current Group performance;
- participation in Pacific Current Group's long-term incentive plan (**LTI Plan**);
- participation in the Group's North American qualified retirement plan whereby matching contributions are paid towards the Employee's retirement benefits and the Group's health plans whereby the Group pays for coverage for health-related services for the employee and their dependents; and
- statutory superannuation (for those employed in Australia).

By remunerating senior executives through performance and the long-term incentive plan, in addition to their fixed remuneration, Pacific Current Group aims to align the interests of senior executives with those of shareholders and enhance Pacific Current Group performance. The amount of remuneration, including both monetary and non-monetary components, for each of the Key Management Personnel during the year (discounting accumulated entitlements) is detailed in the Directors' Report of Pacific Current Group's 2023 Financial Report.

The value of shares, performance rights and options granted to senior executives has been calculated using a hybrid Monte-Carlo/ Binomial option pricing method.

The objective behind using this remuneration structure is to drive improved Pacific Current Group performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, performance rights and other incentive payments. This discretion is exercised on the following basis:

- retaining and motivating key executives;
- attracting quality management to Pacific Current Group; and
- allowing executives to share the rewards of the success of Pacific Current Group through performance incentives.

The current number of shares and performance rights issued under the LTI plan are reasonable in relation to the existing capitalisation of Pacific Current Group and all payments under the LTI plan are made in accordance with thresholds set in the plan.

Non-executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive directors. Non-executive directors do not receive performance-based bonuses and do not participate in the LTI Plan. Non-executive directors are entitled

# PACIFIC CURRENT GROUP

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to statutory superannuation.

The payment to directors is based on a workload criterion and all non-executive directors, receive a fixed amount. The Chair of the Board receives an extra loading given the duties and extra time associated with the position.

### *Current director remuneration*

The aggregate amount of remuneration paid to non-executive directors (approved by shareholders) is currently \$750,000.

Further information in relation to the remuneration of directors can be found in the Directors' Report of Pacific Current Group's 2023 Financial Report.

### *Director and employee incentive hedging*

Directors or employees, who have been issued incentives, are prohibited from entering into a transaction that is designed or intended to hedge their economic exposure to unvested entitlements under any equity-based remuneration scheme. Pacific Current Group is satisfied there has been no director or employee hedging of incentives during the financial year.