

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

FORESTA GROUP HOLDINGS LIMITED

ABN/ARBN

18 074 969 056

Financial year ended:

30 June 2023

Our corporate governance statement¹ for the period above can be found at:²

☐ These pages of our annual report:

☒ This URL on our website:

<https://forestagroup.com.au/shareholder-information-2/>

The Corporate Governance Statement is accurate and up to date as at 6 October 2023 and has been approved by the board.

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

Date: 6 October 2023

Name of authorised officer
authorising lodgement:

Mark Licciardo, Company Secretary

¹ "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.

² 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.

³ 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, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	☒ and we have disclosed a copy of our board charter at: https://forestagroup.com.au/shareholder-information-2/	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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/”).

⁵ 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, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: ⁵
1.5 A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☒ and we have disclosed a copy of our diversity policy at: https://forestagroup.com.au/shareholder-information-2/ and we have disclosed the information referred to in paragraph (c) within the Corporate Governance Statement and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☐ and we have disclosed the evaluation process referred to in paragraph (a) at: [insert location] and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: [insert location]	☒ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: ⁵
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) within the Corporate Governance Statement. and whether a performance evaluation was undertaken for the reporting period in accordance with that process within the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☒ and we have disclosed a copy of the charter of the committee at: https://forestagroup.com.au/shareholder-information-2/ and the information referred to in paragraphs (b) in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☒ and we have disclosed our board skills matrix within the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, 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 (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors within the Corporate Governance Statement and the length of service of each director within the Annual Report.	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
2.4	A majority of the board of a listed entity should be independent directors.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☐	☒ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values at: https://forestagroup.com.au/about-foresta-2/	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed our code of conduct at: https://forestagroup.com.au/shareholder-information-2/	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed our whistleblower policy at: https://forestagroup.com.au/shareholder-information-2/	☐ set out in our Corporate Governance Statement
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.	☒ and we have disclosed our anti-bribery and corruption policy at: https://forestagroup.com.au/shareholder-information-2/	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☒ and we have disclosed a copy of the charter of the committee at: https://forestagroup.com.au/shareholder-information-2/ and the information referred to in paragraphs (4) and (5) within the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☒	☐ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: https://forestagroup.com.au/shareholder-information-2/	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: https://forestagroup.com.au/shareholder-information-2/	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒	☐ set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement
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.	☒	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole 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: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☒ and we have disclosed a copy of the charter of the committee at: https://forestagroup.com.au/shareholder-information-2/ and the information referred to in paragraph (b) within the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period within the Corporate Governance Statement.	☐ set out in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☒ 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.	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: ⁵
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.	☒ and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement.	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☒ and we have disclosed a copy of the charter of the committee at: https://forestagroup.com.au/shareholder-information-2/ and the information referred to in paragraph (b) in our Corporate Governance Statement and Annual Report.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ 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 in our Annual Report.	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☐	☒ set out in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> 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: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
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.	☐ and we have disclosed information about the processes in place at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity 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.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity 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.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable



CORPORATE GOVERNANCE STATEMENT

The Board of Foresta Group Limited (**'Foresta'** or **'Company'**) is responsible for the Company's overall corporate governance framework. The Board recognises the importance of good corporate governance and its role in ensuring the accountability of the Board and management to shareholders.

Foresta complied with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**'ASX Principles and Recommendations'**), with the exception of the departures from the ASX Guidelines as set out below, for the year ended 30 June 2023 (the reporting period).

This Corporate Governance Statement (**'Statement'**):

- outlines the key aspects of the Company's corporate governance framework;
- is structured and numbered in order of the ASX Principles and Recommendations;
- includes cross references to the Group's charters and policies which can be found at the Company's website; and,
- Should be read in conjunction with the Directors' Report and Remuneration Report (contained in the Company's 2023 Annual Report).

This Statement, together with ASX Appendix 4G, which summarises our compliance with the ASX Principles and Recommendations, has been lodged with the ASX and is available at the Company's website.

The information provided in this Statement is current as at 6 October 2023 and has been approved by the Board.

ASX Corporate Governance Council Principle 1 **Lay solid foundations for management and oversight**

Role of the Board

The Board of Directors is pivotal in the relationship between shareholders and management and the role and responsibilities of the Board underpin corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Group's needs.

Generally, the powers and obligations of the Board are governed by the Corporations Act and the general law.

Without limiting those matters, the Board expressly considers itself responsible for the following:

- Ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all relevant laws;
- Oversight of the Group including its framework of control and accountability systems to enable risk to be assessed and managed;
- Appointing and removing the Chief Executive Officer / Managing Director;

- Ratifying the appointment and, where appropriate, removal of senior executives including the Chief Financial Officer and the Company Secretary;
- Input into and final approval of management's development of corporate strategy and performance objectives;
- Monitoring senior executive's performance and implementation of strategy;
- Ensuring appropriate resources are available to senior executives;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approving and overseeing Committees where appropriate to assist in the Board's function and powers.

The Functions, Powers and Responsibilities of the Board are set out in the Company's Corporate Governance Plan which is available on the Company's website.

Director appointment and election

Each Director's term of appointment is subject to the provisions of the Corporations Act 2001 (Cth), the ASX Listing Rules, and the constitution of the Company.

New Non-Executive Directors (appointed by the Board during the year) are required to seek election as a Director at the Annual General Meeting (AGM) following their appointment and are then subject to re-election on a rotational basis with the other Non-Executive Directors.

No Director (other than the Managing Director) may hold office without re-election past the third AGM following their appointment or three years, whichever is longer.

Prior to each AGM, the Board determines whether it will recommend to shareholders that they vote in favour of the re-election of each Non-Executive Director seeking re-election, having regard to any matters the Board considers relevant, including the Director's performance.

Foresta provides shareholders with all material information in its possession which is relevant to a decision on whether or not to elect or re-elect a Non-Executive Director in the Notice of Annual General Meeting. The Notice of Annual General Meeting includes a statement from the Board as to whether it supports an election or re-election.

Written agreement

The Company has a written agreement with each Director and senior executive setting out the terms of their appointment.

The nature of the agreements differ between those for Non-Executive Directors and those for the Executive Director and senior executives, recognising and reflecting that the latter are employees of the Group.

Directors also receive a Deed of Access, Insurance and Indemnity.

Company Secretary

The Company Secretary is directly accountable to the Board, through the Chair, on all matters relating

to the proper functioning of the Board. Each Director has direct access to the Company Secretary. The responsibilities of the Company Secretary are outlined in the Board Charter and include advising the Board on governance matters, monitoring compliance with Board policy and procedures, and the coordination of all Board business including agendas, minutes and communication with regulatory bodies including the ASX.

Diversity

The Group is committed to workplace diversity and ensuring a diverse mix of skills amongst its directors, officers and employees.

The Group has adopted a Diversity policy which is included in the Company's Corporate Governance Plan. Due to the size of the Board and Company's operations, the Board does not presently set measurable gender diversity objectives, it strives to attract the best person for the position regardless of gender, age, ethnicity or cultural background.

As at 30 June 2023, the proportion of women in the whole organisation is as follows:

	Male	Female
Board	100%	0%
Senior Management	71%	29%
Other Levels	67%	33%

Board Performance Evaluation

The Board (in carrying out the functions of the Remuneration and Nomination Committees) considers remuneration and nomination issues annually and otherwise as required in conjunction with the regular meetings of the Board.

No formal performance evaluation of the Managing Director or the Board was undertaken during the year ended 30 June 2023.

Senior Executive performance evaluation

The performance of senior executives is formally evaluated annually by the Managing Director, which also includes the establishment of Key Performance Indicators (KPIs). The Managing Director also engages with each of his direct reports on an ongoing basis in relation to their performance and has regular discussions with each of them to facilitate a process of ongoing continuous improvement of their performance across technical, business and leadership criteria.

Performance evaluations for senior executives, which accords with the process described above, took place in July 2023 for the 2023 financial year.

ASX Corporate Governance Council Principle 2

Structure of the Board to be Effective and Add Value

Board Structure and Composition

The Board is structured so that it is comprised of individuals with the appropriate mix of skills,

experience and diversity to develop and support the Company's strategy and enable it to discharge its responsibilities and add value, including facilitating effective discussion and decision-making. The Board determines its size and composition, subject to the constitution of the Company and applicable law.

The Board currently has three Directors, comprising three Executive Directors, with one being the Managing Director.

Details of each Director's appointment, qualifications and experience is set out in the Company's 2023 Annual Report.

Nomination Committee

Recommendation 2.1 requires the Board to establish a Nomination Committee.

Although the Board has adopted a Nominations Committee Charter, the Board has not formally established a Nominations Committee as the Directors consider that the Company is currently not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board as a whole is able to address these issues and is guided by the Nominations Committee Charter. The Company will review this position annually and determine whether a Nominations Committee needs to be established.

The Nomination Committee Charter is set out in the Company's Corporate Governance Plan which is available on the Company's website.

Board Skills Matrix

The Company is currently developing an appropriate board skills matrix and this will be included in a future Annual Report.

Director Independence

Corporate Governance Council Recommendation 2.4 requires a majority of the Board to be independent Directors. The Corporate Governance Council defines independence as being free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material capacity to bring independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

In the context of Director independence, "materiality" is considered from both the Group and the individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered included whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the Director in question to shape the direction of the Group.

In accordance with the Council's definition of independence above and the materiality thresholds set, all of the Company's directors are not considered independent therefore the Group does not currently comply with Recommendation 2.4. However, Directors consider that the Company is currently not of a size nor are its affairs of such complexity that the current structure of the Board will have a negative

impact on the performance of the Company:

Name	Position	Reason for non-compliance
R. Mountfort	Managing Director	Director is engaged by the Company in an executive capacity
H. Cheng	Executive Director	Director is engaged by the Company in an executive capacity
M. Fabiani	Executive Director	Director is engaged by the Company in an executive capacity

Foresta considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted above have been appointed to the Board of Foresta due to their considerable industry and corporate experience.

Induction and Professional Development

Directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Group's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Group. Informal induction is provided to any new directors.

ASX Corporate Governance Council Principle 3 Instil a Culture of Acting Lawfully, Ethically and Responsibly

The Group is committed to conducting all of its business activities fairly, honestly and with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.

To assist directors in discharging their duty to the Group and in compliance with relevant laws to which they are subject, the Group has adopted a Corporate Code of Conduct, Whistleblower, Anti-Corruption and Anti-Bribery policy within its Corporate Governance Plan which is available from the Company's website.

ASX Corporate Governance Council Principle 4 Safeguard the Integrity of Corporate Reports

Audit Committee

The Board has established an Audit and Risk Management Committee which operates under a charter approved by the Board.

Recommendation 4.1 states that an audit committee should be structured so that it:

- i. consists only non-executive directors;
- ii. consists of a majority of independent directors;
- iii. is chaired by an independent chair, who is not the chair of the Board; and
- iv. has at least three members.

Due to the size of the Board, the members of the Audit & Risk Management Committee are Henry Cheng (Chairman) (Executive Director), Maurice Fabiani (Executive Director) and Ray Mountfort (Managing Director). The Committee consists of non-independent directors, therefore the

recommendations in points i. ii. and iii. above are not satisfied. The Directors consider that the Company is currently not of a size nor are its affairs of such complexity that the current structure of the committee will have a negative impact on the performance of the Company.

All members of the Audit & Risk Management Committee are considered financially literate in the context of the Company's affairs.

The number of meetings of the Audit & Risk Management Committee held during the year are noted within the Company's 2023 Annual Report.

The Audit Committee Charter is set out in the Company's Corporate Governance Plan which is located on the Company's website.

Certification of financial reports

The Board receives written assurances from the Managing Director and the Chief Financial Officer prior to the Board's approval of the Group's half-year and full-year financial statements. In relation to the 2023 financial year the Managing Director and the Chief Financial Officer confirmed that, in their opinion, the Group's financial records:

- are properly maintained;
- comply with the appropriate accounting standards and present a true and fair view of the financial position and performance of the Company; and,
- are formed based on a sound system of risk management and internal control which is operating effectively.

Releases to Market

The Board ensures that management provide sufficient additional information to ensure the integrity of periodic corporate reports disclosed to the market and, if appropriate, certain declarations are provided by management regarding the underlying assumptions and procedures that have been implemented to ensure this integrity.

External Auditor

The Group ensures that its external auditor is present at the AGM to answer any questions with regard to the efficacy of the financial statement audit and the associated independent audit report.

ASX Corporate Governance Council Principle 5 Make Timely and Balanced Disclosure

The Group has adopted a Continuous Disclosure Policy which is included in the Corporate Governance Plan that duly complies with ASX and ASIC requirements for the timely and accurate reporting of the Group's financial activities, thus ensuring that the Group has disclosed all information which has a material impact on shareholders. This includes the Annual Financial Report, Interim Financial Report, quarterly cash flows, operational updates and changes in directors and shareholder interests and other events which are identified to be material. All ASX announcements are available on the Company's website.

The Company Secretary is responsible for communication with the ASX, including responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and

oversight of information distributed to the ASX.

ASX Corporate Governance Council Principle 6 Respect The Rights of Security Holders

The Board of Directors has adopted a shareholder communication strategy which is included in the Corporate Governance Plan which aims to promote and facilitate effective two-way communication with investors. Information is communicated to shareholders through the Annual Report, Interim Financial Report, announcements made to the ASX, notices of Annual General and Extraordinary General Meetings and at the AGM and Extraordinary General Meetings.

Information regarding the Group and its governance is available in the Corporate Governance Plan which can be found on the Company's website.

The Board encourages full participation of shareholders at Annual and Extraordinary General Meetings to ensure a high level of accountability and identification with the Group's direction, strategy and goals. In particular, shareholders are responsible for voting on the re-election of directors.

The Group also offers shareholders the option to receive ASX announcements and other notices from the Company electronically.

ASX Corporate Governance Council Principle 7 Recognise and Manage Risk

Audit Committee

The Board has established an Audit and Risk Management Committee which operates under a charter approved by the Board.

Recommendation 7.1 states that an audit committee should be structured so that it:

- i. consists of a majority of independent directors;
- ii. is chaired by an independent chair, who is not the chair of the Board; and
- iii. has at least three members.

Due to the size of the Board, the members of the Audit & Risk Management Committee are Henry Cheng (Chairman) (Executive Director), Maurice Fabiani (Executive Director) and Ray Mountfort (Managing Director). The Committee consists of non-independent directors, therefore the recommendations in points i. and ii. above are not satisfied. The Directors consider that the Company is currently not of a size nor are its affairs of such complexity that the current structure of the committee will have a negative impact on the performance of the Company.

All members of the Audit & Risk Management Committee are considered to have sufficient technical, legal and industry experience in the context of the Company's affairs to properly assess the risks facing the Group.

The number of meetings of the Audit & Risk Management Committee held during the year are noted within the Company's 2023 Annual Report.

Risk Management Framework

The Company has developed a basic framework for risk management and internal compliance and control systems which cover organisational, financial and operational aspects of the Company's affairs. Further detail of the Company's risk management policies can be found within the Audit and Risk Management Committee Charter.

Recommendation 7.2 requires that the Board review the Company's risk management framework and disclose whether such a review has taken place. Business risks are considered regularly by the Board and management at management and Board meetings. A formal report to the Board as to the effectiveness of the management of the Company's material business risks has not been formally undertaken.

Internal Audit

The Company does not have a separate internal audit function. The Board considers that the Company is not currently of the size or complexity to justify a separate internal audit function, and that appropriate internal financial controls are in place. Such controls are monitored by senior financial management and the Audit and Risk Committee.

Environmental and Social Risks

The Directors' Report sets out some of the key risks relevant to the Company and its operations. Although not specifically defined as such, the risks include economic, environmental and social sustainability risks. As noted above, the Company regularly reviews risks facing the Company and adopts appropriate mitigation strategies where possible.

ASX Corporate Governance Council Principle 8 Remunerate fairly and responsibly

Remuneration Committee

Although the Board has adopted a Remuneration Committee Charter, the Board has not formally established a Remuneration Committee as the Directors consider that the Company is currently not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board as a whole considers themselves to have sufficient legal, corporate, commercial and industry experience in the context of the Company's affairs to properly assess the remuneration issues required by the Group and is able to address these issues while being guided by the Remuneration Committee Charter. The Company will review this position annually and determine whether a Remuneration Committee needs to be established.

The Remuneration Committee Charter is set out in the Company's Corporate Governance Plan which is available from the corporate governance section of the Company's website.

Board and Executive Remuneration

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and Executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Board links the nature and amount of Executive Directors' and Officer's remuneration to the Company's financial and operations performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key Executives
- attraction of quality management to the Group
- performance incentives which allow executives, management and staff to share the rewards of the success of Foresta Group Holdings Limited.

For details on the amount of remuneration and all monetary and non-monetary components for Key Management Personnel during the period, please refer to the Remuneration Report within the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Remuneration Committee and the Board, having regard to the overall performance of Foresta Group Holdings Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits to directors other than statutory superannuation.

Remuneration Policy

The Group's remuneration policy is also further detailed in the Remuneration Report in the Directors Report.

Non-Executive Director Remuneration

Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Non-executive directors are remunerated by fees as determined by the Board. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Independent consultancy sources provide advice, as required; ensuring remuneration is in accordance with market practice. Fees for non-executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold shares in the Company and are, subject to approval by shareholders, periodically offered options and/or performance rights.

The Company has adopted a Trading Policy within the Corporate Governance Plan, however the policy does not include a prohibition on hedging, aimed at ensuring participants do not enter into arrangements which would have the effect of limiting their exposure to risk relating to an element of their remuneration.

There are currently no Non-Executive Directors on the Board.

Other Information

Further information relating to the Group's corporate governance practices and policies has been made publicly available on the Company's web site.