

Corporate Governance Statement 2022

The Board of Directors (Board) of Envirosuite Limited ('Envirosuite', 'EVS' or the 'Company') is responsible for the corporate governance of Envirosuite and its subsidiaries (the 'Group'). The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations (4th Edition) (Principles or Recommendations), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for the corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the recommendations, the Board has offered full disclosure of the nature and reason for the departure.

The Board will periodically review and develop its governance policies and practices as the Company grows in size and complexity.

The Corporate Governance Charter is available on Company's website at:

[Envirosuite Investor page](#).

Related governance policies that have been adopted by the Company are also available through the above link.

This Corporate Governance Statement was authorised for issue by the Board on 23 August 2022.

Principle 1: Lay solid foundations for management and oversight.

1.1 Board and management functions

The Board has formalised its roles and responsibilities into a Charter within its Corporate Governance Charter that is available on the Company's website. The Board Charter clearly defines the matters that are reserved for the Board and those that the Board has delegated to management.

In summary the responsibilities of the Board include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and managing the Chief Executive Officer;

- ratifying the appointment and where appropriate the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of managements' development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- instilling sound corporate governance practices in the board and executive.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or an employee. However, the Board acknowledges that it retains the ultimate responsibility for the exercise of such powers under the *Corporations Act 2001 (Cth)*.

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing the Company's annual budget, recommending it to the Board for approval and managing day to day operations within the budget;
- managing day to day operations in accordance with standards for social and ethical practices which have been set by the Board; and
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

1.2 Appointment of Directors

The Company performs appropriate checks of any person to be appointed as a Director, either by the Board or nominated by shareholders. These checks include details of the person's character, experience and education as well as other factors.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to elect a Director for the first time:

- biographical details including relevant qualifications, experience and skills that they bring to the Board;
- details of any other material Directorships currently held;
- any materially adverse information revealed by the checks the Company has performed about the candidate;

- any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally;
- whether the Board considers that, if elected, the candidate will qualify as an independent Director; and
- whether the Board supports the election of the candidate.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to re-elect a Director standing for re-election:

- biographical details;
- relevant qualifications, experience and skills they bring to the Board;
- details of any other material Directorships currently held;
- term of office currently served;
- whether the Board considers the Director an independent Director; and
- if the Board supports their re-election.

1.3 Written Agreements

The Company ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them. Material terms of contracts of employment are included in the Remuneration Report which is published in the Annual Report each year.

1.4 Company Secretary

The Company Secretary is accountable directly to the Board. The Company Secretary advises the Board on governance matters, ensures Board policies and procedures are followed, dispatches board papers, records the minutes of meetings and assists in the induction and professional development of Directors. The appointment or removal of the Company Secretary is a matter for the Board.

1.5 Diversity

The Board has a formal Diversity Policy that is included in its Corporate Governance Charter.

In summary:

The Company respects and values diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status, religious beliefs, socio-economic background, perspective, experience, cultural background, sexual orientation and gender identity), and the benefit of its integration throughout the Company to enrich the Company's perspective, improve corporate performance, increase shareholder value and the achievement of the Company's goals. The Company acknowledges that diversity is important to the Company's

ability to attract, retain and motivate employees from the widest possible pool of available talent and the Company is committed to diversity at all levels (Principle).

During the 2022 financial year the Company adhered to its formal diversity policy under its the previous Corporate Governance Charter that was replaced with a newly adopted Corporate Governance Charter on 23, August 2022 ('New Corporate Governance Charter') that includes an updated formal Diversity Policy.

The Company aims to achieve an appropriate mix of diversity on its Board, in senior management and throughout the organisation.

Throughout the reporting period, there were three roles held by females in the Executive Team. Due to recent staff changes as at the date of this report there are only two executive roles held by females. As at the date of the 2021 Annual Report, 26% of Group employees were female which has increased to 29.5% as at the date of the 2022 Annual Report.

The Company recognises that there is more that needs to be done to increase the level of representation of women within the Group and the Board remains committed to a target set in the 2021 financial year to achieve at least 40% female representation in its employee base by 30 June 2023. The aim for the year ended 30 June 2022 was to make positive progress towards this target.

Envirosuite is not a 'relevant employer' as defined under the Workplace Gender Equality Act.

1.6 & 1.7 Board & Executive Performance Evaluation

The Board has adopted an on-going, self-evaluation process to measure its own performance, that of individual Directors (including Executive Directors) and the performance of its committee functions during the reporting period.

The Chairman meets periodically with the individual Directors to discuss the performance of the Board and the Director. The Chairman's performance is also evaluated by the balance of the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of Directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability skill levels, understanding of industry complexities, risks and challenges, and the extent of their value-adding contribution to the performance of the board and the overall the business.

Similarly, the CEO conducts a review of the performance of all executives based on the above factors and the performance goals assigned to the executive.

A performance evaluation of the Board, its committees, Directors (including the Chairman) and executives takes place during each annual reporting period in accordance with the process detailed within this statement. The respective processes for the board and executive were carried out during the 2022 financial year.

The outcomes of the assessment program are used to enhance the effectiveness of individual Directors and the Board collectively, and that of the executives.

Principle 2: Structure the Board to add value.

2.1 Nomination Committee

The Company has a formal Nomination and Remuneration Committee (NRC) which is a sub-committee of the Board however, given the small size of the Company, and the make-up of the Board, the Company has elected not to adopt each of the sub-recommendations set out in Recommendation 2.1.

The Charters for Remuneration and Nomination are set out in sections 4 and 5 of its Corporate Governance Charter (in this section 'Charters') and can be viewed on the Company's website.

During the reporting period, David Johnstone, Chairman of the NRC and the Board, solely performed the functions of the NRC and provided updates to the Board at its monthly Board meetings, on any new or continuing matters. When appropriate, matters have also been raised to the Board on an ad hoc basis, as they have arisen.

As the NRC consisted of only one member there were no formal meetings separate to the relevant matters discussed in the meetings of the full board of Directors. The Charters do not stipulate a set number of meetings of the committees only that meetings will be held as required to fulfill the obligations set out in the Charters. A standing item for the NRC to provide an update summarising activities and matters relevant to the Charters is included in each formal Board meeting.

Stuart Bland who was elected Director 1 March 2022, was formally appointed as a member of the NRC on 1 July 2022 and David Johnstone continues as Chair. The practice of holding formal NRC meetings have recommenced following Stuart's appointment.

The Company will continue to monitor the requirements of this recommendation in the context of the Company's position and circumstances.

2.2 Skills matrix

During the reporting period, a formal skills matrix had not been adopted, although the Board worked with an external service provider to compile a list of skills and experience in the review and selection of Board candidates.

A formal matrix has been adopted in the New Corporate Governance Charter and is set out in section 1.1 of its Corporate Governance Charter. The Board regularly considers the appropriate mix of skills and diversity and is mindful of Recommendation 2.2 and the requirements for the Company as it continues to grow the scale of its operations.

2.3 Composition of the Board

In view of the size of the Company and the nature of its activities, the Board considers that the current mix of skills, experience, qualifications and experience on the Board is consistent with the short to medium term interests of the Company.

The following persons were directors of the Company during the reporting period:

- David Johnstone (Non-executive Chairman)
- Susan Klose (Non-executive Director)
- Hugh Robertson (Non-executive Director)
- Peter White (Non-executive Director) – Resigned 25 November 2021
- Jason Cooper (Managing Director) – appointed 1 March 2022
- Stuart Bland (Non-executive Director) – appointed 1 March 2022
- Tim Ebbeck (Non-executive Director) – appointed 1 March 2022

Directors have been in office since the start of the financial year to the date of this report unless stated above.

The profiles of the Directors, their tenure, skills, experience and expertise are set out in the Directors' Report of the 2022 Annual Report.

2.4 Independence

The Board considers a Director to be independent where he or she is:

- independent of management; and
- independent of any business interest, position, association or other relationship that could materially influence (or be reasonably perceived to materially influence) the exercise of objective, unfettered or independent judgement by the Director or the Director's ability to act in the best interests of the Company.

Materiality is assessed on a case-by-case basis by reference to the Director's individual circumstances rather than any general materiality thresholds.

The Board currently comprises five (5) non-executive directors and one executive director. The Chairman, David Johnstone, Susan Klose, Stuart Bland and Tim Ebbeck are considered to be independent, meaning a majority of the Board are independent directors.

Having regard to the spirit of Recommendation 2.4, Hugh Robertson is not considered to be independent, due to the level of assistance that his employer, Bell Potter Securities, provided to the Company for historical capital raisings including the most recent raise completed in December 2021.

The Board upholds its duty to act in the best interests of the entity as a whole, through the following measures:

- the Company's constitution provides for the number of directors to be not less than three (3) and not more than ten (10);
- the Board is cognisant that the position of Chairman should where possible be held by a non-executive director, which the current Chairman is;
- Consistent with the Company's objective that the Board encompass a broad range of relevant expertise, the present Board consists of directors with a diverse range of skills, qualifications and experience;
- The Board considers that the individual directors draw on their professional expertise, experience and skill-sets to make measured, considered and balanced decisions in the best interests of the Company;
- As required by the Corporations Act, should there be any inference (even small) that a particular director could be conflicted in a situation, that director is required to abstain from any decision making relevant to that matter. The size of the Board is deliberately of sufficient size that a quorum can be present, even where a director may need to abstain from decision making on a particular matter;
- There is no shareholding requirement imposed upon directors under the Company's Constitution. However, for the sake of completeness, investors should note that all directors hold shares or options either directly or indirectly in the Company.

2.5 Chair and CEO of entity

For the year ended 30 June 2022, and throughout the reporting period, the roles of Chairman and CEO were held by different people.

The Chairman is elected by the Board. The current Chairman, David Johnstone, was appointed as a non-executive director in February 2014 and elected Chairman in September 2016. The appointment of David Johnstone as Chairman resulted in an independent non-executive director acting as Chair from 2 September 2016.

Jason Cooper, was appointed by the Board of Directors as Chief Executive Officer on 1 March 2021 and continues to hold the role under a three year employment contract. On 1 Key details of this contract were disclosed to the market in the following ASX release:

[CEO Remuneration details](#)

On 1 March 2022 Jason Cooper was appointed as Managing Director at which time he was made a Director. Jason retains his role as CEO on the same terms.

2.6 Induction program & professional development

All directors are offered an induction program appropriate to their experience upon appointment so as to familiarise them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company, its products, services and operations, and meetings with the Chairman, CEO and members of the Executive Team.

The Board encourages directors to continue their education by participating in applicable workshops and seminars and attending site visits and undertaking relevant external education.

The General Counsel and the Company Secretary provide directors with on-going information on corporate governance matters and other relevant and practical information to assist them in the discharge of their duties and obligations.

Board agendas are structured throughout the year in order to ensure that each of the significant responsibilities of the Board are addressed. Directors receive financial, operational and strategy reports from senior management who are available during meetings and as requested, to discuss reports with, and provide insights to, the Board.

All directors have access to the Company's records and information and receive regular detailed financial and operational reports from senior management.

Brief profiles of the directors, and the respective terms of office held by individual directors, are set out at pages 41 – 42 in the 2022 Annual Report.

The Company also has in place a process where directors are entitled to seek independent professional advice, at the expense of the Company, to assist them to carry out their duties as directors. Should the advice gained be of relevance to all directors, such advice is then shared to the full Board.

Principle 3: Act Ethically and Responsibly

3.1 Disclosure of values

Envirosuite's Purpose, Vision, Mission and Values are outlined below.

Our Purpose

We believe Environmental Intelligence is the key to improving the wellbeing of people and the planet.

Our Vision

We harness the power of Environmental Intelligence so industries grow sustainably and communities thrive.

Our Mission

We are driven to create world-leading, science-based technology to help our customers act faster, perform better and realise their full potential with Environmental Intelligence.

Our Values

We're driven by purpose

We're focused on changing the way that companies work within their environment. We dare ourselves to be the leaders, experts and innovators that help our customers to adapt as the world evolves around them – to grow their business and care for their communities.

We move as one

We're made up of talented, passionate and high performing humans who can achieve good things individually and when we combine our skills, different perspectives, and collective hard work, moving as one - great things happen for us and our company.

We believe customers are the reason

We don't just see customers; we see the humans. Without their problems, challenges, and goals we don't actually have a business. Every day, we will relentlessly focus on making their day better through our solutions and services, helping them achieve great things.

We earn the trust

Our company is forged on trust. We earn 'dependable' status by showing up for and respecting our work buddies; we earn it with customers by delivering world class solutions and incomparable services; we earn it by owning our mis-steps; we earn it by always being honest in our conversations.

We challenge the now

We're in a rolling state of continuous improvement and we accept the only constant is change. To be world beating, we must always be looking at the state of skills, products, and brand, asking ourselves in what ways can we make it better, today.

3.2 Code of Conduct

The Board has an approved Corporate Code of Conduct which applies to all Directors, executives, management and employees without exception. Consistent with the Corporate Code of Conduct, the Company also has a Code of Conduct specific to employees that is available on the Company's website as a separate document.

The Corporate Code of Conduct ('the Code') is included in section 1.8 of the Corporate Governance Charter. In summary, the Code is designed to ensure that:

- high standards of corporate and individual behaviour are observed by all Directors, executives, management and employees in the context of their respective roles and the performance of their duties with the Company;
- Directors, executives, management and employees are aware of their responsibilities to the Company under the terms of their appointment or contract of employment; and
- all of the stakeholders of the Company can be guided by the stated values and policies of the Company.

In summary, the Code provides that all Directors and senior executives must:

- act honestly, in good faith and in the best interests of the Company;
- use due care, skill and diligence in fulfilling their duties;
- use the power of their position for a proper purpose, in the interest of the Company;
- not make improper use of information acquired by virtue of their position;

- not allow personal interest, or those of associates, to conflict with the interest of the Company;
- exercise independent judgement and actions;
- maintain the confidentiality of Company information acquired by virtue of their position;
- not engage in conduct likely to discredit the Company; and
- comply at all times with both the spirit and the letter of the law, as well as, policies of the Company.

3.3 Whistleblower policy

Envirosuite's Whistleblower policy encourages employees, former employees and external stakeholders, to report suspected or actual, improper or unlawful conduct in the workplace. The policy can be accessed on the Company's website at: [Whistleblower policy](#).

The policy is supported by a confidential whistleblower service, which is maintained by an external service provider, Whispli, and is available across the Group's operations globally.

Disclosure is encouraged and once a disclosure has been made, the General Counsel is empowered to review the matter and escalate to the appropriate levels (including the Board for material incidents).

3.4 Anti-bribery and corruption policy

The Company's Anti-Bribery and Corruption policy highlights the Company's zero tolerance stance in relation to bribery and corruption and anti-competitive conduct.

The policy provides Envirosuite's position in relation to the giving and receiving of gifts, prohibitions on conflicts of interest, facilitation payments and kickbacks, economic sanctions and export control, as well as expected behaviour when dealing with customers, suppliers and third parties, including prohibitions on anti-competitive and misleading and deceptive conduct.

Envirosuite has had an Anti-Bribery & Corruption Policy for the full reporting period that is available on the Company's website at: [Anti-Bribery & Corruption Policy](#)

Concerns regarding compliance with the policy can be raised to the General Counsel and the Company Secretary, who are each empowered to review all matters raised and escalate to the appropriate levels (including the Board for material breaches).

Principle 4: Safeguard integrity in corporate reporting

4.1 Audit Committee

The Company has a formal Audit and Risk Management Committee (ARC). The Committee operates in accordance with the Audit and Risk Management charter which is set out in Section 3 of its Corporate Governance Charter (Charter).

The Charter provides that the Committee is responsible for:

- reviewing the annual and half year financial reporting;
- reviewing the accounting policies of the Company;
- reviewing the scope and audit programmes of the external auditors and any material issues arising from these audits;
- overseeing the independence of external auditors and determining procedures for the rotation of audit partners;
- reviewing compliance with ethical guidelines and company policies affecting financial reporting and corporate control, together with compliance with laws and external regulations;
- identification and review of the full range of actual or potential risk exposures which are material to the Company; and
- reviewing the effectiveness of the group's risk management systems and strategies.

Formal meetings of the Committee were held prior to the release of the Half Year and Annual Reports and during the reporting period as necessary, in order for the Committee to fulfil its obligations.

Given the size of the Board and individual's respective expertise, the Committee has comprised two members throughout the reporting period being that being Chairman of the Board, David Johnstone and Director, Sue Klose. David Johnstone was Chair of the Committee until 1 January when Independent Director, Susan Klose assumed the role of Chair which she continues to hold as at the reporting date.

Brief profiles of the committee members are set out on page 41 – 42 of the Directors' Report in the 2022 Annual Report.

The number of meetings held in the reporting period and the attendance at those meetings is set out on page 43 of the Directors' Report in the 2022 Annual Report.

The Charters do not stipulate a set number of meetings of the ARC only that meetings will be held as required to fulfill the obligations set out in the Charter. A standing item for the ARC to provide an update summarising its activities and matters relevant to the Charter is included in each formal Board meeting.

The Board is responsible for nominating the external auditor. If the Board recommends a change in external auditor, the Board's nomination of external auditors requires shareholder approval. The Board approves the compensation of the external auditor.

The ARC meets with the external auditor throughout the year to review the adequacy of the existing external audit arrangements with particular emphasis on scope, quality and independence of the audit.

It has been determined by the Board that the external auditor will not provide services to the Company where the auditor would:

- have a mutual or conflicting interest with the Company;
- be in a position where they audit their own work;

- function as management of the Company; or
- have their independence impaired or perceived to be impaired in any way.

Specifically, the external auditor will not normally provide the following types of services to the Company:

- bookkeeping or other services relating to the accounting records of the Group;
- financial information or information technology systems design or implementation;
- appraisal and valuation services, fairness opinions or contributions in kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions, including temporary staff assignments or human resource services;
- broker or dealer services, investment advisor, corporate finance or investment banking services; and
- legal and litigation support services.

Procedures are in place governing approval of any non-audit work before the commencement of any engagement.

The Board has elected to adopt a policy which is consistent with the primary and secondary rotation obligations regarding auditors, such that:

- the lead or review audit partner's responsibilities may not be performed by the same person for longer than five (5) consecutive years (primary rotation obligation); and
- the lead or review audit partner's responsibilities may not be performed by the same person for more than five (5) out of seven (7) consecutive years (secondary rotation obligation).

In addition, the Board requires a minimum of two (2) consecutive years cooling off period, before an auditor undergoing rotation can return to playing a significant role in the audit of the Company.

Mr. Shaun Lindemann of PKF Brisbane Audits was the lead audit partner for Envirosuite for the year ended 30 June 2022.

The lead external audit partner attends the part of Board meetings specific to audit matters by standing invitation.

Although Envirosuite has not fully adopted Recommendation 4.1, it considers that its existing practices, are an effective means of meeting the needs of the Company, particularly having regard to the fact that Envirosuite is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, Board structure and composition.

The Company will continue to monitor the requirements of this recommendation in the context of the Company's size and growth and consider whether any changes should be implemented during the 2023 financial year.

4.2 CEO and CFO Declaration

Each year the Chief Executive Officer and the Chief Financial Officer provide the Board with written confirmation that:

- The consolidated financial statements for each half year and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with accounting standards; and
- The declarations provided in accordance with Section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received this assurance from the Chief Executive Officer and the Chief Financial Officer this financial year.

4.3 External auditor attendance at AGM

Envirosuite seeks to provide accurate, balanced and appropriate disclosure in its corporate reports and has established an approval process which ensures all relevant stakeholders have reviewed and approved all reports, prior to these being provided to the ASX. These processes include ensuring:

- all content in periodic reports is prepared by the relevant domain experts within the business;
- all material statements in any report are reviewed by the relevant Heads of Department and Executive team to ensure that they are accurate and meet legal and ASX listing rule requirements;
- any information in a report that relates to the Company's financial position must be reviewed and approved by the CFO; and
- prior to the report being released, final approval must be received from members of the Executive, the CEO and the Board.

The Company ensures that the lead audit partner or their representative attends the AGM in order to be available to answer questions from shareholders pertaining to the audit.

Principle 5: Make timely and balanced disclosure

5.1 Written disclosure policy

Comprehensive procedures are in place to identify matters that are likely to have a material effect on the price or value of the Company's securities and to ensure that those matters are notified to the ASX in accordance with ASX disclosure requirements.

The Continuous Disclosure policy is set out in Section 7 of the Corporate Governance Charter.

In accordance with that policy the Company's Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

5.2 Material market announcements provided to Board

Envirosuite has established an approval process which ensures all directors have reviewed and approved all material market announcements, prior to these being provided to the ASX.

The Company Secretary is responsible for lodging all communications with the ASX and provides a confirmation of lodgement.

All information disclosed to the ASX is also posted on the Company's website at: [Envirosuite ASX announcements](#)

5.3 Analyst presentations

All presentations where Envirosuite provides financial results, or new and substantive content for the first time, are streamed and investors and analysts are invited to join the webcasts. Registration also enables registrants to later access the recording.

Presentations are disclosed on the ASX Market Announcements Platform on the day of any presentation. As appropriate, summaries of the questions and answers provided in these presentations have also been compiled and released both via the ASX Markets Announcements Platform and the Company website following the presentation.

Principle 6: Respect the rights of security holders

6.1 Company & governance information

The Company provides general and current information regarding its purpose, Board and leadership and the activities that form its approach to governance as well its associated policies and charters on its website at: [Envirosuite Investor page](#).

6.2 Investor relations program

The Company retains an external investor relations group to assist in developing and executing on its investor relations program. The Company has also appointed an internal Investor Relations person and made their contact details available on investor communications to encourage and facilitate comments and questions.

While the Company encourages two-way communication through inviting shareholders and investors to contact the company on each external communication and ASX release, it also arranges investor webinars following the release of each financial report that includes an allocation of time for investor questions as well as encouraging the submission of online questions.

Other initiatives the Company has implemented to provide greater two-way communications with investors include:

- the Company has streamed presentations following the release of significant results such as half year and full year results, inviting investors to join the webcasts and provide questions ahead of time; and
- the Company encourages shareholders to sign up to receive periodic updates and information electronically by registering their email address with the Company's share registry.

These initiatives are in addition to the existing ability for investors to communicate with the Company via a dedicated email address: investors@envirosuite.com. This email mailbox is monitored by members of the executive team and investor questions are reviewed and responded to.

6.3 Security holder participation at meetings

Shareholders are encouraged to attend all AGM's and other general meetings. In addition, management respond to meeting or information requests by shareholders in a timely manner.

The Company uses its general meetings (GM) as an opportunity to further engage with its shareholders and seek their comments and questions. The Company undertakes a number of steps to seek to maximise shareholders' ability to participate in meetings by:

- ensuring that Directors, members of management and the external auditor are available at general meetings;
- allowing shareholders a reasonable opportunity to ask questions regarding the items of business, including questions to the external auditor regarding the conduct of the audit and the preparation and content of the auditor's report; and
- providing shareholders who are unable to attend a meeting with an opportunity to submit questions in advance of the meeting.

6.4 Resolutions decided by poll

The Board has determined that all resolutions at general meetings will be decided by poll rather than show of hands.

Envirosuite held a virtual AGM during the reporting period and utilised an online platform to facilitate voting with resolutions being determined by poll. Subject to relevant legislation, going forward, the Company will consider utilising a virtual format where possible, given the ability for a broader group of investors to attend and the ability for resolutions to be determined by poll.

6.5 Electronic communication

Electronic communications from shareholders for the submission of queries, comments and voting including proxy forms, are encouraged by Envirosuite via the dedicated Investor email address: investors@envirosuite.com. Documents including holding statements, annual

reports, notices of meeting and proxy forms are conveyed by email unless otherwise requested by the shareholder.

The Company's share registry, Boardroom Ltd, has run a specific campaign encouraging shareholders to provide their consent to receive electronic communications from the Company.

Principle 7: Recognise and manage risk.

7.1 & 7.2 Risk Committee & review

In consideration of the size of the Company and the composition of the Board, the Board has elected to combine and delegate the functions of Audit and Risk oversight to the Audit and Risk Management Committee (ARC). The details of the responsibilities and functions of the ARC are set out in section 3 of the Corporate Governance Charter.

Given the size of the Board and individual's respective expertise, the ARC has comprised two members throughout the reporting period being that being the Chairman of the Board, David Johnstone and Director, Sue Klose. David Johnstone was Chair of the ARC until 1 January when Independent Director, Susan Klose assumed the role of Chair which she continues to hold as at the reporting date.

The number of meetings held in the reporting period and the attendance at those meetings is set out on page 43 of the Directors' Report in the 2022 Annual Report.

The Charters do not stipulate a set number of meetings of the ARC only that meetings will be held as required to fulfill the obligations set out in the Charter. A standing item for the ARC to provide an update summarising activities and matters relevant to the Charters is included in each formal Board meeting.

Although Envirosuite has not fully adopted Recommendation 7.1 in respect to its composition, it considers that its existing practices, detailed within this Statement and the Audit and Risk Management Charter, are an effective means of meeting the needs of the Company, particularly having regard to the fact that Envirosuite is a relatively small publicly listed company by comparison to other listed entities which is reflected by the size of its operations, Board structure and composition.

The Company will continue to monitor the requirements of this recommendation in the context of the Company's size and growth and consider whether any changes should be implemented during the 2023 financial year.

7.3 Internal audit function

Envirosuite is a relatively small publicly listed company by comparison to other listed entities. This is reflected by the size of its operations, Board structure and composition. As such it is not practical to have an internal audit function.

Through the risk management processes undertaken by management and the Audit and Risk Management committee, the Board regularly monitors the operational and financial performance of the Company against budget and other key performance measures. The Board also receives and reviews advice on areas of operational and financial risk and develops strategies, in conjunction with management, to mitigate those risks.

Management reports to the Board on the effectiveness of the Company's management of its material business risks in respect of each financial year.

7.4 Economic, Environmental or Social Sustainability

The Company is cognisant that the business community should address matters of economic, environmental and social sustainability and the need to be transparent on these matters to enable investors to properly assess investment risk.

Envirosuite is a relatively small publicly listed company by comparison to other listed entities, which is reflected by the size of its operations, Board structure and composition. Given its size and operations, the Company considers that it does not have specific material exposures to economic, environmental, or social sustainability risks. By way of evidence of this, the Group's operations are not currently subject to any significant environmental regulations in any of the countries in which it operates globally.

Principle 8: Remunerate fairly and responsibly.

8.1 Remuneration Committee

The Company has a formal Nomination and Remuneration Committee (NRC) which is a sub-committee of the Board however, due to the size and scale of the Company, and the expertise of the Board, the Company has elected not to adopt each of the sub-recommendations set out in Recommendation 8.1 during the 2022 financial year.

The details of the responsibilities and functions of the NRC are set out in the Corporate Governance Charter in sections 4 and 5 (Charters).

In summary, the NRC is responsible for giving due consideration to the overall remuneration policies and strategies of the Company and by appropriate recourse to relevant market data and, where applicable, to external executive remuneration consultants.

During the reporting period, David Johnstone, Chairman of the NRC and the Board, solely performed the functions of the NRC and updated the Board at its monthly meetings, on any

new or ongoing matters. Matters have also been raised to the Board on an ad hoc basis, as these have arisen.

As the NRC consisted of only one member there were no formal meetings separate to the relevant matters discussed in the meetings of the full board of Directors.

The Charters do not stipulate a set number of meetings of the committees only that meetings will be held as required to fulfill the obligations set out in the Charters. A standing item is included in each formal Board meeting for the NRC to provide an update summarizing its activities and matters relevant to the Charters.

Stuart Bland who was elected Director 1 March 2022, was formally appointed as a member of the NRC on 1 July 2022 and David Johnstone continues as Chair. Formal NRC meetings have recommenced following Stuart's appointment.

The Company will continue to monitor the requirements of this recommendation in the context of the Company's position and circumstances and consider whether any changes should be implemented during the 2023 financial year.

8.2 Non-Executive Director & Executive Remuneration

The aggregate remuneration of non-executive Directors is approved by shareholders.

Individual Directors' remuneration is determined by the Board within the approved aggregate total. In determining the appropriate level of Director's fees, the Remuneration & Nomination Committee benchmarks data from other public companies of a similar nature to Envirosuite with regard to its size and industry.

Non-executive Directors as applicable, are:

- not entitled to participate in performance-based remuneration practices unless approved by shareholders; and
- remunerated by means of payment of cash benefits in the form of Directors' fees or alternatively by issue of securities in lieu of cash benefits where the issuance of those shares is approved by shareholders.

The Company does not currently have in place a retirement benefit scheme or allowance for its non-executive Directors, except for the payment of superannuation if applicable.

A review of the compensation arrangements for the Chief Executive Officer and Senior Executives is conducted annually by the Board (and since the commencement of the 2023 financial year with the support of the Nomination and Remuneration Committee) taking into consideration the performance of the individual executive, salary packages paid to executives in other public companies of a similar size or market section, market competitive rates and the results of the Company during the relevant period.

The objective of the Company's remuneration policy is not only to provide a salary package that properly reflects the person's duties and responsibilities, but to also attract, retain and

motivate the executive to the highest possible quality and standard, enabling the organisation to succeed.

The Company has an Employee Share Option Plan (ESOP) which provides the Board with the discretion to grant equity to eligible Directors (subject to shareholder approval), executives and consultants for the purpose of incentivising them and aligning their interests with those of shareholders.

The Company has a Performance Rights Plan which provides the Board with the discretion to grant equity to Executive Directors (subject to shareholder approval), executives and consultants for the purpose of incentivising them and aligning their interests with those of shareholders.

The Board ensures that the payment of equity based remuneration is made in accordance with thresholds and rules established by the applicable plan rules.

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of remuneration paid each year (including components) is detailed in the Remuneration Report of the Annual Report and Notes to and forming part of the Financial Statements.

8.3 Hedging arrangements

Where it relates to an element of their remuneration, Directors and Executives may not engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of the Company's securities.