

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

Japara Healthcare Limited
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ABN/ARBN

54 168 631 052
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Financial year ended:

30 June 2021
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>

The Corporate Governance Statement is accurate and up to date as at 27 August 2021 and has been approved by the board.

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

Date: 20 September 2021

Name of authorised officer authorising lodgement: Bruce Paterson, Company Secretary

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

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

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

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

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

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

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection. See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

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

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a></p> <p>and we have disclosed:</p> <p>the information referred to in paragraph (c) in our Corporate Governance Statement (including a link to our most recent Gender Equality Indicators</p> <p>We were not included in the S&amp;P / ASX 300 Index at the commencement of the reporting period. The Board comprised 60% female and 40% male directors at the date of the Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed:</p> <p>the evaluation process referred to in paragraph (a) in our Corporate Governance Statement; and</p> <p>whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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

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Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> and we have a People, Culture and Remuneration Committee and we have disclosed a copy of the charter of the committee at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5): on page 10 of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors on pages eight and nine of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a> and, where applicable, the information referred to in paragraph (b) in our Corporate Governance Statement and the length of service of each director by reference to their date of appointment on pages eight and nine of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy, which forms part of our code of conduct, at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have an Audit, Risk and Compliance Committee and we have disclosed a copy of the charter of the committee at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraph (4) on pages eight and nine of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a> and the information referred to in paragraph (5) on page 10 of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://japara.com.au/">https://japara.com.au/</a> and on our investor centre website at: <a href="https://investor.japara.com.au/Investor-Centre/">https://investor.japara.com.au/Investor-Centre/</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our communication strategy at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement



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<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> and we have an Audit, Risk and Compliance Committee and we have disclosed a copy of the charter of the committee at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5) on page 10 of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/> and we have an internal audit function and we have disclosed how our internal audit function is structured and what role it performs in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks in our Corporate Governance Statement and, where we do, how we manage or intend to manage those risks on pages 16 to 20 of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have a People, Culture and Remuneration Committee and we have disclosed a copy of the charter of the committee at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5) on page 10 of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> 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 on pages 26 to 39 of the 2021 Annual Report at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports">https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it in our policy for dealing in securities at: <a href="https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance">https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> <b>Not Applicable</b> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> 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.	<input type="checkbox"/> <b>Not Applicable</b>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> 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.	<input type="checkbox"/> <b>Not Applicable</b>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> <b>Not Applicable</b> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> 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, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/> <b>Not Applicable</b></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

**JAPARA**

**JAPARA HEALTHCARE LIMITED**

**ACN 168 631 052**

# **Corporate Governance Statement**

**Approved by the Board of Japara Healthcare Limited  
on 27 August 2021**

## CORPORATE GOVERNANCE

This statement outlines the main corporate governance practices of Japara Healthcare Limited (the **Company**) in place throughout the financial year ended 30 June 2021 (the **Financial Year**) and applying to the Company and its controlled entities (the **Group**). It has been prepared in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4<sup>th</sup> edition.

### 1. Corporate Governance Documents

The Company has issued the following Corporate Governance documents, which are available for review on its investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>:

- Constitution;
- Board Charter & Relationship with Management;
- Audit, Risk and Compliance Committee Charter;
- People, Culture and Remuneration Committee Charter;
- Zero Harm Committee Charter;
- Vision and Values;
- Code of Conduct;
- Whistleblower Policy;
- Diversity Policy;
- Modern Slavery Policy;
- Policy for Dealing in Securities;
- Non-Executive Director Shareholding Policy;
- Continuous Disclosure Policy;
- Communication Strategy;
- Political Donations Policy; and
- Privacy Policy.

### 2. Role and Responsibilities of the Board

#### *Board of Directors*

The Board's role includes overseeing and reviewing the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives, reviewing management performance, protecting and optimising Company performance and building sustainable value for shareholders. It operates within a framework of prudent and effective controls that enable risk to be assessed and managed.

The Board also sets, reviews and ensures compliance with the Company's values and governance framework (including establishing and observing high ethical standards) and ensures that shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

The responsibilities/functions of the Board include:

- succession planning of the Board and Senior Executives;
- strategic guidance and approval of corporate strategy;
- setting the risk appetite and tolerance within which the Board expects management to operate;
- ensuring the existence of an appropriate Board reporting framework;
- overseeing systems of risk management, internal control and ethical and legal compliance;
- monitoring corporate performance;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;

- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting; and
- developing and reviewing corporate governance principles and policies.

Directors may delegate their duties as they consider appropriate. However, ultimate responsibility for strategy and control remains with the Directors. Directors are entitled to request additional information at any time when they consider it appropriate.

### *Senior Executives*

The Senior Executive team is responsible for the day to day management and operations of the business. The Senior Executive and management function is conducted by, or under the supervision of, the Chief Executive Officer & Managing Director (**CEO**) as directed by the Board (and by other officers to whom the management function is properly delegated by the CEO). The Board approves corporate objectives for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO. These duties include implementing the strategic objectives, plans and budgets approved by the Board.

Senior Executives and management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

### **3. Board appointment, composition and tenure**

The Board currently comprises five Directors being one Executive Director (the CEO) and four independent non-Executive Directors, including the Chairman. Details of all Directors and their length of service are disclosed in the Directors' Report on pages eight and nine of the Company's 2021 Annual Report available at: <https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports>.

The Board identifies Directors for appointment through its own network and the use of external search organisations.

The Board considers a variety of factors when considering Directors for appointment. This includes but is not limited to the skills, experience, expertise and personal qualities that will best complement Board effectiveness, the existing composition of the Board, an appropriate level of diversity, the ability to devote the necessary time and commitment to the role, potential conflicts of interest and independence. Appropriate checks are undertaken on potential candidates including of their character and experience, and any criminal and bankruptcy history.

The Board recognises that the optimal composition of a board of directors is one that comprises a mix of directors with a broad range of skills, expertise and experience from a diverse range of backgrounds, including gender. The People, Culture and Remuneration Committee (refer section 7 below) advises the Board on Board composition and assists it in determining the required skills and attributes of Directors for achieving the Company's strategy and good governance. Information pertinent to the election or re-election of a Director is provided in the material accompanying the relevant Notice of Meeting.

The Board assesses the materiality of any interest, position or relationship to determine whether it might interfere, or might reasonably be seen to interfere, with a Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

In determining the independence of a Director, consideration is given as to whether the Director:

- is, represents, or has in the last three years been an officer or employee of, or professional advisor to, a substantial shareholder of the Company;
- is or has in the last three years been employed in an executive capacity by the Group;
- has or in the last three years had a material business relationship with the Group including as an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with the Group other than as a Director;
- has close personal ties with any person who falls within any of the categories described above;
- has been a director of the Company for such period of time which may compromise their independence from management and substantial shareholders of the Company;



- receives performance based remuneration from the Company or participates in a Company employee incentive scheme; and
- is free from any other interest, business or other relationship which could or reasonably be perceived to materially interfere with acting in the Company's best interests.

Each Director has a written agreement setting out the terms of their appointment, details of the role and responsibilities, the need for education and training and how the Company will assist in this process, the requirement to attend Board and Committee meetings, the time envisaged to be dedicated to the role, the notification requirements for conflicting interests or commitments, how performance will be evaluated, remuneration arrangements and details around the Company's policies and related compliance requirements.

The Board collectively, and each Director individually, has the right to seek independent professional advice.

The Board seeks to comprise of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds, including gender. The Board has identified the skills and experience it considers necessary and desirable. These are set out in the matrix below which also shows the extent to which they are represented on the Board and its Committees.

## Board skills matrix

	Board	Audit, Risk and Compliance Committee	People, Culture and Remuneration Committee	Zero Harm Committee
Total Directors	5	3	3	3
<b>SKILLS &amp; EXPERIENCE</b>				
Healthcare - aged care, acute hospital and clinical governance	5	3	3	3
Work health & safety, environment and sustainability	5	3	3	3
People	4	2	2	2
Legal and compliance	5	3	3	3
Accounting and finance	5	3	3	3
Property development & management	1	1	1	1
Mergers and acquisitions	4	2	2	2
Corporate governance	5	3	3	3
Risk management	5	3	3	3
Government relations	3	1	1	1
Strategy	5	3	3	3
Sales and marketing, customer engagement	2	2	2	2
Capital management	3	2	2	2
Executive leadership	4	2	2	2
Other listed boards	4	3	3	3

The Board is satisfied that the current members' broad range of experience, knowledge and backgrounds is adequate for it to collectively meet the current business needs of the Group. Expert advice is taken in circumstances where additional skills are required. The experience and qualifications of each Director are set out in the Directors' Report in the Company's 2021 Annual Report and on its investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Board-of-Directors>.

To ensure new Directors will be able to participate fully and actively in Board decision making at the earliest opportunity, a comprehensive induction program is provided upon appointment. The program includes information regarding the role and its duties as well as details of the Company and the environment in which it operates. Site visits to a number of the Company's residential care homes and meetings with members of management are also arranged. Directors are encouraged to keep up to date with developments in the industry and management also briefs Directors on relevant changes in the legislative, regulatory or industry framework. The People, Culture and Remuneration Committee is responsible for developing and implementing plans for identifying, assessing and enhancing Director competencies.

The Company Secretary is accountable directly to the Board, through the Chairman. The Company Secretary is responsible for all Board business, including agendas, Board papers, minutes, communication with the ASX and other regulatory bodies, and other statutory filings. All Directors have direct access to the Company Secretary.

#### **4. Board and Senior Executive Remuneration**

Detailed commentary on the Company's remuneration policy and the remuneration of Directors (both executive and non-executive) and Senior Executives who are key management personnel is set out in the Remuneration Report on pages 26 to 39 of the Company's 2021 Annual Report available at: <https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports>.

In summary the following remuneration policy applies:

##### *Non-executive Directors*

Non-executive Directors receive fixed fees (including statutory superannuation contributions) for their services as Directors of the Company. They have not received nor are eligible to receive performance related compensation.

##### *CEO and other Senior Executives*

Remuneration packages for the CEO and other Senior Executives include two main components:

- a fixed component comprising the total base salary and statutory employer superannuation contributions; and
- a performance-based component which comprises a combination of cash and equity in the Company which is awarded subject to achieving certain performance hurdles over a certain timeframe as determined by the Board.

In accordance with the Company's Policy for Dealing in Securities, hedging of vested and unvested Company securities by Senior Executives is prohibited at all times. Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities. The policy is available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>.

The CEO and other Senior Executives each have a written agreement with the Group covering their employment arrangements. Appropriate checks are undertaken prior to making CEO and Senior Executive appointments including on character and experience, and any criminal and bankruptcy history.

## 5. Diversity

The Company values and respects the diversity of its staff, customers and others. It recognises the importance and benefits of a diverse workforce and is committed to complying with its legal obligations through non-discriminatory employment and management practices. The Company supports its workforce to identify and provide appropriate care and lifestyle, and options that meet the diverse needs of its customers as well as supporting choice and independence.

The Company seeks to provide an environment which maximises the talent, potential and contribution of all staff whilst providing culturally safe care and lifestyle so that its customers and staff feel respected, valued and safe. Japara also seeks to embed safe and inclusive practices in how it delivers care, lifestyle and other services within its service environment.

The Company's formal Diversity Policy reflects the above commitments and aspirations and is available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>. The Company seeks to facilitate a representative management and leadership structure including women in senior positions and on the Board.

Details of the Group's Gender Equality Indicators are available on the Workplace Gender Equality Agency's website at: <https://data.wgea.gov.au/organisations/1093>.

As at 1 April 2021, the gender representation in the Group at various levels was as follows:

	Female	Male	No. of Personnel
Group	83%	17%	5,756
Senior Management	78%	22%	69
Senior Executives (including the CEO)	29%	71%	7
Board (including the CEO)	60%	40%	5

Senior Executives are those personnel who are members of the Executive Leadership Team. Senior Management comprises other executives, including those personnel who are responsible for managing residential care homes, and as such have an integral role in delivering business outcomes.

The Company's workforce comprises a high number of female employees at senior management level and below. This is reflective of its customer base which is predominately female and of the sector, where the pool of available male candidates with required nursing or other care qualifications is comparatively low. The Company has a succession and talent management plan to identify suitable internal candidates based on experience and skills, with intent on increasing the number of women identified for promotion into Senior Executive roles.

The Company has established Board approved diversity objectives for its workforce and customers. Its objectives for achieving workforce gender diversity (including for the Board and Senior Executives) and the progress made towards achieving these objectives, as measured on an ongoing basis, is set out below:

- When available, at least 30% of candidates to be considered for Board and Executive level roles should be female.

### Progress

The Company is open to a full diverse range of candidates when recruiting. Female candidates are presented for consideration at search and interview selection stages where possible. Accordingly, the 30% target may not always be achieved as it is dependent on the available candidate pool at the time. Women filled the majority of Executive level roles recruited during the 2021 financial year and the proportion of female directors on the Board increased from 50% to 60%.

- The interview selection panel for all roles should include both genders, position descriptions should be gender neutral and the selection process should be transparent and unbiased.

#### Progress

Where possible, having regard to the nature of the position, panels selecting and interviewing candidates have sought to include both genders. All position descriptions are reviewed to be gender neutral and the selection process is internally transparent and unbiased.

- Operate succession and talent management processes for identifying high potential female leaders for Senior Executive roles.

#### Progress

Processes for identifying high potential female leaders, including external, operated during FY2021. A vacant position within the Executive Leadership Team was filled by a female candidate.

- High potential female leaders to be developed for Senior Executive positions.

#### Progress

Home Manager development and leadership training continued during FY2021, with the majority of incumbents being female. New regional leadership and business partner positions were also created and primarily filled from a female talent pool.

The Company's workforce gender diversity objectives aim to encourage and enable diversity, rather than force it by the use of quotas. The Company has a higher proportion of women at all levels bar the Senior Executive level. It seeks to achieve a greater representation of women at Senior Executive level over a reasonable transition period through the achievement of its objectives which are designed to:

- identify, recruit and retain candidates with the most suitable knowledge, skills, experience and values for the role in question and which recognise the value of selecting, recruiting and promoting employees with diverse backgrounds, knowledge, experiences and perspectives; and
- broaden the field of potential candidates for Senior Executive appointments.

## **6. Review of Board and Senior Executive performance**

Reviews and performance evaluations are conducted annually for the Board, its committees, individual Directors and Senior Executives and were undertaken during the year.

#### *Board, Committees and Individual Directors*

The Board assesses its performance and utilises the Board Charter and Relationship with Management as well as other Corporate Governance documents to assist in its review. Similarly, each Board committee assesses its performance, utilising the respective Committee Charter and other Corporate Governance documents to assist in its review, with results advised to the Board.

Where appropriate, external advisors are engaged to provide an independent review of the Board and its Committees, and to provide additional advice. Reviews and performance evaluations of individual non-executive Directors are conducted in private discussions which are managed by the Board Chairman, except in the case of the Board Chairman which is managed by the Chairman of the People, Culture and Remuneration Committee. The CEO and other senior management are also invited to provide feedback on individual director, the Board and Committee performance.

#### *Senior Executives*

A combination of financial and non-financial key performance indicators are used to measure the performance of Senior Executives. The Chairman, with input and feedback from the non-executive Directors, reviews the performance of the CEO. The CEO reviews the performance of other Senior Executives. Outcomes are advised to the People, Culture and Remuneration Committee which evaluates the reviews, benchmarks remuneration arrangements where appropriate and makes recommendations to the Board.

## 7. Board Committees

There are currently three standing committees of the Board which assist it in carrying out its duties and responsibilities. Those committees are:

- the Audit, Risk and Compliance Committee;
- the People, Culture and Remuneration Committee; and
- the Zero Harm Committee.

All Committee members are independent non-executive Directors. Details of the number of times each Committee has met and member attendance are disclosed in the Directors' Report on page 10 of the Company's 2021 Annual Report available at: <https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports>. The Board Chairman, the CEO and others attend Committee meetings by invitation.

Each Committee operates in accordance with a formal charter which sets out its responsibilities. A copy of each charter is available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>.

An overview of each Committee is provided below.

### ***Audit, Risk and Compliance Committee***

#### *Current Members:*

- JoAnne Stephenson (Chairman), David Blight, and Leanne Rowe.

#### *Responsibilities*

- The Committee is responsible for:
  - the appointment and replacement of both the external auditor and internal auditors;
  - overseeing the Company's relationships with both the external auditor and internal auditors and their respective audit functions generally;
  - overseeing the preparation of the financial statements and reports;
  - overseeing the Company's financial controls and systems; and
  - managing the process of identification and management of financial and other material risks.
- The Committee's primary roles in relation to audit matters are:
  - assisting the Board in relation to the reporting of financial information;
  - the appropriate application and amendment of accounting policies;
  - the appointment, independence and remuneration of the external auditor; and
  - providing a link between the external auditors, the Board and management.
- The Committee evaluates the effectiveness and independence of the external auditor, its remuneration, the rotation of the audit partner and the terms of the audit engagement.
- The Committee has the responsibility of reviewing the internal auditors' objectives, competence and resourcing including approving and monitoring the internal audit program, ensuring an appropriate program of activity and evaluating the internal auditors' findings, recommendations and effectiveness.
- The Committee's specific function with respect to risk management is to review and report to the Board that:
  - a contemporary risk management framework in place;
  - the risk management program effectively identifies areas of actual or potential material risks;
  - management is operating with due regard to the risk appetite and tolerance set by the Board;
  - adequate mitigating controls (including policies and procedures) have been implemented to manage identified risks;
  - audits are undertaken to test the adequacy of and compliance with key policies and procedures; and
  - proper remedial action is undertaken to redress areas of weakness.

## ***People, Culture and Remuneration Committee***

### *Current Members:*

- David Blight (Chairman), JoAnne Stephenson and Leanne Rowe.

### *Responsibilities*

- The Committee is responsible for matters relating to people and development, diversity and inclusion and strategic human resources practices including:
  - reviewing and making recommendations to the Board on:
    - a. the size and composition of the Board;
    - b. the criteria for Board membership; and
    - c. the re-election of Directors and assisting in identifying new Board members;
  - ensuring an effective Director induction process is in place;
  - reviewing and approving the Company's remuneration framework;
  - reviewing and making recommendations to the Board on:
    - a. remuneration arrangements for senior management and non-executive Directors;
    - b. remuneration by gender;
    - c. the Remuneration Report; and
    - d. development programs and succession planning;
  - reviewing the Company's people development strategy and leadership capability framework;
  - reviewing the development and effectiveness of the Company's diversity and inclusion strategy and Diversity Policy, including diversity objectives; and
  - overseeing the determination of values and objectives for strong organisational engagement and culture and reviewing progress towards these objectives.

## ***Zero Harm Committee***

### *Current Members:*

- Leanne Rowe (Chairman), JoAnne Stephenson and David Blight.

### *Responsibilities*

- The Committee is responsible for matters relating to workplace health and safety, clinical risk management and environment and sustainability including:
  - overseeing the development and implementation of policies and practices to ensure the Company complies with its obligations and commitments, including the promotion of inclusive resident centred quality care in line with the Charter of Aged Care Rights and the Aged Care standards;
  - overseeing the development and implementation of company-wide processes and procedures (including reporting systems and investigations) to ensure compliance with the Company's policies and legal and regulatory obligations;
  - ensuring these processes and procedures are regularly reviewed to ensure that all material risks are identified, reported and investigated and that remedial action is taken when required;
  - endorsing and monitoring key performance indicators and targets that underpin the Company's zero harm goals, including measures which consider 'the voice' of residents and their representatives;
  - monitoring the Company's reporting systems for actual or potential breaches of legal and regulatory obligations, any accidents and incidents and any investigations and remedial action; and
  - liaising with the Audit, Risk and Compliance Committee to determine whether the Company's reporting and risk management procedures are effective.

Each Committee has the right to access adequate resources including seeking advice from auditors, solicitors and other independent advisors as it may require. The Committee Chairman may invite non-Committee members, including members of management to attend all or part of any Committee meeting.

## 8. Values and Code of Conduct

The Company is guided by a set of values determined by the Board which inform behaviour across the Group in a way that transcends rank, responsibility and role. The People, Culture and Remuneration Committee assist the Board by overseeing the process for determining and communicating the values. The Company's vision and values are available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>.

The Board is committed to a high level of integrity and ethical standards in all business practices. All employees, contractors and Directors ('its representatives') must conduct themselves in a manner consistent with shareholder, consumer and community expectations, the Company's values and standards, and in compliance with all relevant legislation. Accordingly, the Company has a formal Board approved Code of Conduct which outlines these expectations and provides guidelines on appropriate ethical standards.

The Code of Conduct is designed to:

- provide a benchmark for professional behaviour throughout the Group;
- support the Company's business reputation and image within the aged care sector and the wider community; and
- make representatives aware of the consequences if they breach the policy.

The Code of Conduct includes obligations relating to compliance with laws and regulations, fair trading and dealing, conflicts of interest, use or theft of property and assets, bribery and corruption and other employment related practices.

All Company representatives are required to comply with the Code of Conduct. Material breaches are reported to the People, Culture and Remuneration Committee or the Board for monitoring the observance of appropriate ethical standards across the Group.

The Code of Conduct is available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>.

The Company has a whistleblower process supporting the Code of Conduct and the disclosure of misconduct by its representatives, as set out in its Whistleblower Policy which is available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>. Material incidents notified under the Policy are reported to the Board and its Committee as applicable.

## 9. Communication with Investors and Continuous Disclosure

The Company aims to ensure that shareholders are kept informed of all major developments affecting the state of affairs of the Company. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

To achieve these outcomes, a company website (available at: <https://japara.com.au/>) and an investor centre website (available at: <https://investor.japara.com.au/Investor-Centre/>) have been established to provide information on the Company. Information is also communicated to shareholders and other stakeholders via ASX announcements which are then posted on the Company's investor centre website as soon as practicable following their release by the ASX. The Board receives a copy of all ASX announcements made by the Company promptly after their release for information purposes.

The Board has adopted a Communication Strategy and a Continuous Disclosure Policy which are available on the Company's investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Corporate-Governance>. The Company values two-way communication with stakeholders. The Communication Strategy sets out the Company's approach to communication with shareholders, potential investors and other stakeholders. The Continuous Disclosure Policy sets out procedures for ensuring that Directors and senior management are aware of and can fulfil their obligations relating to the timely disclosure of information which may have a material effect on the price or value of the Company's securities.



The Company advises details of open briefings and presentations to investors and analysts in advance via ASX announcements. All new materials are released to the ASX prior to briefings and presentations commencing and are then posted on the Company's investor centre website.

The Company's 2021 Annual Report is available on its investor centre website at: <https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports> and contains important information about the Company's activities and results for the previous financial year. Shareholders can elect to receive the Annual Report as an electronic copy or in hard copy through the mail.

The Company encourages and facilitates the participation of shareholders at meetings, including the Annual General Meeting (AGM). Meetings are held on days and at times and locations convenient for attendance. Live webcasting of meetings (including virtual participation when warranted) is used. Shareholders who are unable to attend meetings in person are encouraged to lodge proxies, with the option to do so electronically. Shareholders are also encouraged to direct written questions to the Chairman or the external auditor in advance of an AGM for addressing at the meeting. A reasonable opportunity is given to shareholders as a whole to ask questions at meetings and the Company ensures that its external auditor attends each AGM to respond to questions relevant to the audit, the auditor's report, adopted accounting policies and its independence.

All substantive resolutions at shareholder meetings are decided by a poll as determined by the chairman of the meeting in accordance with the Company's Constitution. This approach ensures that the outcome reflects the votes of all shareholders who are voting, including by proxy.

To facilitate communication, the Company provides shareholders with the option to receive and send communications electronically, including to its share registry. For more information on registry communications, contact Link Market Services Limited at: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au).

## 10. Risk Management and Internal Audit

### *Framework*

The Company has a Risk Management Framework (**Framework**) in place which is consistent with current practice and the Standard ISO 31000:2009 – Risk Management Principles and Guidelines. Risk management is part of the Company's strategy to deliver contemporary corporate governance practices which contribute to its corporate objectives.

The Company is committed to ensuring that risk management principles and practices are part of its organisational culture by monitoring and reviewing the Framework.

The Framework is reviewed by a Risk Management Committee (**RMC**) and the Audit, Risk and Compliance Committee at least annually, as undertaken during the year.

Inherent to the Framework is the Risk Management Process (**Process**) which details the steps to be taken by staff responsible for identifying risks and implementing controls and treatment plans to mitigate these risks. Central to the Process is the RMC which comprises members from key areas of the business. The RMC's responsibilities include:

- implementing, reviewing and improving the Framework, the Process and associated policies and procedures;
- ensuring risks are identified and evaluated, including reviewing and approving risk assessment ratings;
- determining the acceptance or treatment of analysed risks;
- monitoring identified risks, their controls and actioning of their treatments;
- identify new and emerging risks and the controls and actions to deal with those risks;
- maintaining a Group Risk Register;
- reporting new and emerging risks and risks identified as high or extreme to the Audit, Risk & Compliance Committee, along with treatment plans; and
- determining the Group's top internal and external risks for reporting to the Board.



## ***Internal Audit***

The Company engages professional services firms and other subject matter experts (internal auditors) to provide internal audit services to the Group. The internal auditors work closely with the Audit, Risk and Compliance Committee and acts as independent and objective third parties, providing the Board and management with advice and assurance on the effectiveness of risk management, internal controls and processes within identified areas across the Group. Audit services are provided in accordance with an internal audit plan approved by the Audit, Risk and Compliance Committee in consultation with management. The internal auditors have regard to the Company's Risk Management Framework and Risk Management Process in formulating their audit approach.

## ***Material Risks***

The Company is subject to a range of internal and external risks which are identified under the Risk Management Framework outlined earlier above. These include risks that could have a material impact on the Company's profitability, value or the sustainability of its operations. These 'material business risks' and how they are managed are set out in the Directors' Report on pages 16 to 20 in the Company's 2021 Annual Report available at: <https://investor.japara.com.au/Investor-Centre/?page=Annual-Reports>.

The Company has material exposure to a range of social risks which are included within our material business risks under the following risk headings:

- health, safety and wellbeing (of residents, staff and visitors);
- large scale infectious outbreaks;
- loss of approvals or accreditation;
- information technology breaches; and
- reputational damage.

The Company also has exposure to environmental risks which are not considered to be material at this time. This includes climate change risk which impacts the availability and cost of resources, including water, energy, food and other consumables. Any required actions to mitigate these impacts are formulated and managed under the Risk Management Framework.

## **11. Reporting Integrity**

### ***Financial Statements***

Prior to the signing of the Group's financial statements for any given period, the CEO and the Chief Financial Officer sign a declaration addressed to the Board attesting that in their opinion, the financial records of the Group have been properly maintained, that the financial statements and notes comply with the accounting standards and give a true and fair view of the financial position and performance of the Group, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### ***Other Reporting***

The Company prepares periodic reports, including Directors' Reports, which are not audited or reviewed by its external auditor and are released to the ASX. Management verifies the integrity of such reports by using independent staff to check that both financial and non-financial data are accurate and current, including with reference to the sources. The Board and its Committees (as applicable) also review periodic reports in draft format, with the CEO and/or the Chief Financial Officer reviewing final versions prior to their release.

*Adopted by the Board of Directors of Japara Healthcare Limited on 27 August 2021.*