

CORPORATE GOVERNANCE STATEMENT

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CORPORATE GOVERNANCE STATEMENT

Introduction

The Board of PEXA Group Limited (“PEXA” or the “Company”) is committed to a high standard of ethical behaviour and to having an effective system of corporate governance commensurate with the size of the Company and the scope of its business operations.

This Corporate Governance Statement describes PEXA’s corporate governance framework, policies and practices and reflects PEXA’s commitment to maintaining and promoting high standards of corporate governance.

PEXA maintains a Corporate Governance section on the Company website, making available the governance policies, Code of Conduct and the Board and Committee charters referred to in this Statement. These documents are located in the Investor Centre and can be accessed at the Company’s online [Policies Hub](#).

The Annual Report is available on the Company’s online [Investor Centre](#).

This statement is current as at 21 August 2024 and has been approved by the Board.

Governance at PEXA

Directors

The directors of the PEXA Board are set out below.

Director	Position and independence	Length of service
Glenn King	Managing Director and Chief Executive Officer	3 December 2019 – present
Mark Joiner	Chairperson and Independent Non-Executive Director	3 May 2021 – present
Melanie Willis	Independent Non-Executive Director	11 June 2021 – present
Paul Rickard	Non-Executive Director	11 June 2021 – present
Vivek Bhatia	Independent Non-Executive Director	11 June 2021 – present
Helen Silver AO	Independent Non-Executive Director	10 May 2022 – present
Jeffrey Smith	Independent Non-Executive Director	5 July 2023 – present
Dr Kirstin Ferguson AM (former Director)	Independent Non-Executive Director	11 June 2021 – 1 March 2024

Chairperson

Mark Joiner became the Company’s Chairperson on 3 May 2021. He is an independent director and devotes significant time to his role as chairperson. The Board Charter describes his responsibilities including leadership of the Board, promoting a constructive governance culture, setting standards of conduct, and applying appropriate governance principles.

Remuneration, Nomination and People Committee

The Remuneration, Nomination and People Committee consists solely of Non-Executive Directors, all of whom are independent directors. The membership and key responsibilities are set out below.

Membership	Key Responsibilities
Helen Silver AO (Chair)	<ul style="list-style-type: none"> Advise and make recommendations to the Board on: <ul style="list-style-type: none"> the composition of the Board and its committees and the selection and appointment of directors to the Board and its committees; succession plans for the Board and ensuring that there are plans in place to manage the succession of senior executives; ongoing evaluation of the performance of the Board, its committees and directors; Assist the Board with the oversight of a human resources strategy and supporting policies and practices for the Company's employees and directors, and monitoring the implementation and effectiveness of the strategy, policies and practices; and Assist the Board with the oversight of remuneration policies and practices for the Company's employees and directors and monitoring the implementation and effectiveness of the policies and practices.
Mark Joiner	
Melanie Willis	
Jeffrey Smith	

The Company has reported the number of times the Remuneration, Nomination and People Committee met and the individual attendances of members at those meetings in its Annual Report which is available on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee consists solely of Non-Executive Directors, a majority of whom are independent directors. The membership and key responsibilities are set out below.

Membership	Key Responsibilities
Melanie Willis (Chair)	<ul style="list-style-type: none"> Assist the Board with: <ul style="list-style-type: none"> overseeing, reviewing and supervising the Company's risk management framework and promoting a risk management culture; discharging the Board's responsibilities relating to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, and the audit process; the effectiveness and independence of the Company's external audit processes including appointment and removal of the external auditor and approval of the annual external audit plan; and the Company's internal audit processes including approval of the annual internal audit plan; monitoring compliance with laws and regulations, and Board policies; adopting and applying appropriate ethical standards in relation to the management of the Company and the conduct of the Company's business; and reviewing the adequacy of the Company's insurance policies.
Paul Rickard	
Mark Joiner	
Helen Silver AO	

The Company has reported the number of times the Audit and Risk Committee met and the individual attendances of members at those meetings in its Annual Report which is available on the Company's website.

Technology and Operations Committee

The Technology and Operations Committee consists solely of Non-Executive Directors, a majority of whom are independent directors. The membership and key responsibilities are set out below.

Membership	Key responsibilities
Jeffrey Smith (Chair)	<ul style="list-style-type: none"> Advise and make recommendations to the Board on: <ul style="list-style-type: none"> the Group's technology strategy (including platform, data and emerging trends); the Group's technology operating model (including workforce planning and management of technology partners); the Group's technology delivery and performance; the Group's strategies for mitigating and managing technology risks.
Vivek Bhatia	
Paul Rickard	
Mark Joiner	

Corporate Governance Statement continued

The Company has reported the number of times the Technology and Operations Committee met and the individual attendances of members at those meetings in its Annual Report which is available on the Company's website.

Company Secretary

The Company Secretary is James Orr. The Company Secretary reports directly to the Chair of the Board on matters related to the proper functioning of the Board. The role of the Company Secretary is outlined in the Board Charter. Each director has direct access to the Company Secretary.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The Board is accountable to shareholders for the performance of the Company. The respective roles and responsibilities of the Board and management are defined in the Board Charter, a copy of which is available on the Company's website.

The Board's role includes providing leadership and guiding the Company's strategic direction, driving its performance and overseeing the activities of management and the operations of the Company. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure for the Company.

There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon officers of the Company. In accordance with the Board Charter, the Board delegates to the Group Managing Director and Chief Executive Officer (Group MD & CEO) authority to manage the Company and its business within the limits of authority specified by the Board from time to time. The Group MD & CEO has delegated certain aspects of his authority and power to senior executives, however the Group MD & CEO remains accountable to the Board for the day-to-day management of the Company.

Director appointment

The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration, Nomination and People Committee Charter, a copy of which is available on the Company's website.

The Remuneration, Nomination and People Committee is responsible for making recommendations to the Board on the process for recruiting a new director, including evaluating the balance of skills, knowledge, diversity and experience of the Board and, in light of the evaluation, to determine the role and capabilities required for appointment.

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director and before appointing senior executives. Such checks include in respect of the candidate's character, experience, education, absence of criminal record and bankruptcy history. Search firms are engaged from time to time to assist in identifying appropriate candidates for consideration by the Remuneration, Nomination and People Committee.

The Company will provide all material information in its possession that is relevant to a decision on whether to elect or re-elect a director.

The Company has a written agreement with each director setting out the terms of their appointment.

Board review

Pursuant to the Board Charter, the Board is required to, at least annually, review and evaluate the performance of the Board, its Committees, and individual directors against the relevant charters, corporate governance policies, and agreed goals and objectives. Following each review and evaluation, the Board is required to consider how to address any issues raised.

An internal review of the Board and Committees was conducted during 2023 (and will be conducted in August 2024) using a confidential performance evaluation questionnaire completed by directors and usual management attendees at Board and Committee meetings. Informal review mechanisms, such as discussions with the Chairperson and meeting feedback, are also used throughout the year. The performance of individual Non-Executive Directors was completed via confidential discussions with the Chairperson. Regular informal discussions take place between individual directors and the Chairperson.

Senior executive appointments and reviews

The Company has a written agreement with each executive setting out the terms of their appointment. Prior to the appointment of a new executive, the Company carries out appropriate reference checks in respect of the candidate's character, experience, education, criminal history and bankruptcy history.

At the start of each financial year, key performance indicators (KPIs) for the Group MD & CEO and executive Key Management Personnel (KMP) are reviewed and recommended to the Board by the Remuneration, Nomination and People Committee. The KPIs for non-KMP senior executives flow from the KPIs set for the Group MD & CEO. At the end of each financial year, the performance of the Group MD & CEO and senior executives (including KMP) is assessed against the KPIs set by the Remuneration, Nomination and People Committee and approved by the Board.

The Board is responsible for reviewing, at least annually, the performance of its senior executives against agreed goals and objectives. A performance evaluation was undertaken in accordance with this process for the reporting period.

Further details are set out in the Remuneration Report which is available on the Company's website.

Diversity

PEXA is committed to creating a safe and inclusive workplace where everyone feels valued, has a sense of belonging, and can contribute in a meaningful way to PEXA.

A copy of the Diversity and Inclusion Policy is available on the Company's website.

The Company's Diversity and Inclusion Policy requires the Board to measure the effectiveness of policies that have been established to assist the Company in achieving gender diversity in the composition of its Board, senior executives and workforce generally, and provides for delegation to the Remuneration, Nomination and People Committee to review the Company's progress in meeting these objectives.

The diversity objectives adopted for the FY24 reporting period and the progress towards those objectives is set out below.

Diversity objective	Progress
At least 30% female directors on the Board	29% of directors on the PEXA Board are female
At least 40% female senior executives ¹	40% of senior executives are female
At least 40% female workforce	56% of the PEXA workforce are female

1. Senior executive is defined as an executive that is a direct report of the Group MD & CEO.

Further information regarding the Company's approach to diversity is included in the Annual Report which is available on the Company's website.

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

Board skills and experience

The Company's Remuneration, Nomination and People Committee is responsible for regularly evaluating the balance of skills, knowledge and experience on the Board to ensure that the Board can discharge its duties and responsibilities effectively and to identify any gaps in the skills or experience of the Board.

Board skills assessment

Directors have participated in a self-assessment of their skills relevant to the Board with the results set out in the matrix below. This sets out the skills and experience considered essential to the effectiveness of the Board and its committees.

A director is considered to have a 'primary skill' if they have expert or advanced skills in a particular area. A director is considered to have a 'secondary skill' if they have broad and general knowledge in a particular area.

The Board has disclosed both primary and secondary skills in this year's Corporate Governance Statement to provide shareholders with greater visibility of the skills of directors on the PEXA Board.

Corporate Governance Statement continued

	Directors with primary skills	Directors with secondary skills
The property industry	3 (43%)	4 (57%)
Understanding customer needs and requirements	6 (86%)	–
CEO and leadership oversight	7 (100%)	–
Talent, remuneration and culture	7 (100%)	–
International business experience	5 (71%)	2 (29%)
Digital and transformation	6 (86%)	1 (14%)
Strategy and planning	7 (100%)	–
Change and major project delivery	6 (86%)	1 (14%)
Accounting and financial reporting	3 (43%)	4 (57%)
Corporate finance	6 (86%)	1 (14%)
Listed company corporate governance	5 (71%)	2 (29%)
Risk management	6 (86%)	1 (14%)
Government and regulatory relations	5 (71%)	1 (14%)
Health and safety	5 (71%)	2 (29%)
Technology and data	5 (71%)	2 (29%)
Sustainability	6 (86%)	1 (14%)
Brand and marketing	5 (71%)	2 (29%)

Induction and continuing education

The Company's Remuneration, Nomination and People Committee is responsible for establishing and facilitating an induction program for new directors. Directors undertake a Board and Committee induction program, covering details of PEXA's policies, operations and environment in which it operates. This includes meetings with management and with the Company's auditor (if requested) and background reading materials. It is recognised that not all inductions will be the same and will depend on the experience and role of the new director.

The Company's Remuneration, Nomination and People Committee is also responsible for continuing education of directors for the purpose of updating and maintaining their skills and knowledge to perform their roles effectively.

Directors are provided with briefings on material developments in laws, regulations and material accounting standards and 'deep dive' sessions in relation to key risks. Refresher training is also provided in relation to key areas, such as continuous disclosure.

Director independence

A majority of the Board is comprised of independent directors. The Board considers that each of Mark Joiner, Melanie Willis, Helen Silver AO, Jeffrey Smith and Vivek Bhatia are independent directors under ASX corporate governance independence guidelines.

The Board notes that Vivek Bhatia is the Chief Executive Officer and Managing Director of MUFU Pension and Market Services (formerly Link Group) and was initially appointed to the Board as a Link Group nominee director. As Link Group ceased to be a substantial shareholder of the Company in January 2023, and Mr Bhatia now serves as a director on the invitation of the Board, the Board is of the opinion that Mr Bhatia meets the requirements for being an "independent" director.

The following directors are not considered by the Board to be independent directors under ASX corporate governance independence guidelines:

- Group MD & CEO, Glenn King, because of his executive role in the Company.
- Paul Rickard on the basis that he is a nominee director of a major shareholder of the Company (Commonwealth Bank of Australia - CBA).

Director independence is assessed upon each director's appointment as well as annually. Directors are required to attest to independence on an annual basis. Directors are also required to disclose all actual or potential conflicts of interest on an ongoing basis.

The length of service of each director on the Board is set out on page 84 of this report.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Values

The Company discloses its values in its Annual Report.

Code of conduct and ethics

The Company has adopted a Code of Conduct and Ethics, which applies to all directors, senior executives, employees, contractors and representatives of the Company and is available on the Company's website.

If there are any material breaches of the Code of Conduct and Ethics, such breaches are brought to the attention of the Board or relevant Board Committee.

Whistleblower Policy

The Company has adopted a Whistleblower Protection Policy. A copy of the Whistleblower Protection Policy is available on the Company's website.

If there are any material incidents reported under the Whistleblower Protection Policy, such incidents are brought to the attention of the Board or relevant Board Committee.

Anti-bribery and Corruption Policy

The Company has adopted an Anti-bribery and Corruption Policy, which applies to all directors, senior executives, employees, contractors and representatives of the Company. A copy of the Anti-bribery and Corruption Policy is available on the Company's website.

If there are any material breaches of the Anti-bribery and Corruption Policy, such breaches are brought to the attention of the Board or relevant Board Committee.

Principle 4: Safeguard the integrity of corporate reports

Audit and Risk Committee

The Company has established a combined Audit and Risk Committee to oversee the management of financial and enterprise risks. The Audit and Risk Committee is governed by the Audit and Risk Committee Charter, which is available on the Company's website.

The audit-related responsibilities of the Audit and Risk Committee include the following:

- Review the Company's financial reporting disclosure processes and monitor the adequacy of those processes;
- Review the half year and full year financial statements and associated ASX announcements on the Company's financial results and consider whether they are complete, consistent with information known to the Committee, reflect appropriate accounting policies and principles and otherwise provide a true and fair view of the financial position and performance of the Company;
- Receive and consider in connection with the Company's half year and full year financial statements letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions;
- Review the financial sections of the Company's Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information; and
- Review with management and the external auditors the results of the audit.

All Audit and Risk Committee members are literate in financial and risk matters and have a deep understanding of the business in which the Company operates, to enable them to discharge the Audit and Risk Committee's mandate effectively. Several members have accounting, risk and/or financial expertise.

The Company has disclosed the relevant qualifications and experience of the members of the Audit and Risk Committee in its Annual Report.

Corporate Governance Statement continued

CEO and CFO certification of financial statements

For the FY24 annual and half year financial reports, the Board received assurance from the Group MD & CEO and Group Chief Financial Officer that:

- The financial records of PEXA have been properly maintained;
- The financial statements and notes required by accounting standards for external reporting:
 - Give a true and fair view of PEXA's financial position and performance; and
 - Comply with the accounting standards and any further requirements in the Corporations Regulations; and
- The above representations are based on a sound system of risk management and internal control and the system is operating effectively in all material respects in relation to financial reporting risks.

Verification of periodic corporate reports

In all circumstances, including where PEXA's auditor is required to review or audit periodic corporate reports, PEXA conducts internal review and verification processes to ensure that the information contained in these documents is accurate, balanced and provides investors with appropriate information to make informed decisions about PEXA.

The information contained in these documents is reviewed and verified by relevant functional subject matter experts, internal audit (if applicable) and the relevant member of senior management prior to release to the market.

Principle 5: Make timely and balanced disclosure

Continuous Disclosure Policy

The Company's Continuous Disclosure Policy is available on the Company's website. The policy sets out the approvals process to facilitate compliance with the immediacy requirements in ASX Listing Rule 3.1.

The Company Secretary is responsible for communications with the ASX for the purposes of Listing Rule 12.6.

The Company Secretary ensures that each director receives a copy of all material market announcements either prior to, or promptly after, they have been made.

Investor and analyst presentations

The Company's Continuous Disclosure Policy provides that a copy of any new and substantive investor or analyst presentation materials will be released to the ASX Market Announcements Platform ahead of the presentation.

Principle 6: Respect the rights of security holders

Investor website

Investors have access to information about the Company and its governance on the Company's website. The website includes the following details:

- names, photographs and brief biographical information for each of its directors and senior executives;
- copies of the Company's Constitution, Board and Committee Charters;
- a statement of the Company's values; and
- key corporate governance policies.

The Company also posts its Annual Report and all other ASX releases (including notices of meeting, presentations and analyst and media briefings) on its website.

Investor relations program

The Company has implemented an investor relations program to facilitate effective two-way communication with our shareholders and prospective investors. Some of the specific initiatives in place include:

- ensuring that new and substantive investor or analyst presentations are released to the ASX ahead of those presentations;
- web-casting our Annual General Meeting;
- one-on-one and small group meetings when requested and in compliance with appropriate governance standards; and responding to investor queries in a timely manner.

Participation at meetings of security holders

The Company has adopted a Shareholder Communications Policy which sets out how the Company facilitates and encourages participation at meetings of security holders, a copy of which is available on the Company's website.

All shareholders are invited to attend the Company's annual general meetings either in person, virtually or by representative. Shareholders also have an opportunity to submit questions to the Board or the Company's external auditor.

The Company seeks to utilise numerous modes of communication, including electronic communication, to facilitate and encourage participation at meetings of security holders.

The Company will ensure a poll is used for the determination of resolutions at a meeting of security holders.

Electronic communication with security holders

Shareholders are encouraged to elect to receive all communications electronically. Shareholders who wish to receive electronic communications can update their communication preferences by following the steps set out in the "Investor Centre" section of the Company's website at www.pexa-group.com/investor-centre/share-registrar/.

Principle 7: Recognise and manage risk

Risk management

The Audit and Risk Committee oversees the management of risks.

The risk-related responsibilities of the Audit and Risk Committee include:

- Consider the Company's overall risk management framework, risk appetite and risk profile, regularly review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- Advise the Board if the Company is operating outside of its approved risk appetite, including the circumstances involved;
- Review with management the adequacy of the Company's processes and systems for identifying, assessing, monitoring and managing the key financial and non-financial risks and emerging risks to the Company in accordance with the Company's Risk Management Policy;
- Review, in accordance with the Company's Risk Management Policy, any incident involving:
 - internal fraud
 - external fraud resulting from a material or significant break down of the Company's internal controls; or
 - any other material or significant break down of the Company's internal controls; and
- Review any material or significant incident involving any break-down of the Company's risk management processes.

The Company regularly evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The Company's risk management framework was reviewed during the reporting period, which included refining the risk appetite statement and key performance indicators.

Corporate Governance Statement continued

Internal audit

The Audit and Risk Committee is responsible for monitoring the internal audit function in accordance with the Company's Risk and Compliance Obligations Management Policy. The Company engages an external provider to provide internal audit services to the Company. The key role of the internal auditor is to provide independent and objective assurance on the adequacy and effectiveness of risk management control and governance processes. The internal auditor briefs the Audit and Risk committee on internal audit activities. Discussions are also scheduled between the Audit and Risk Committee and the internal auditor in the absence of management.

Environmental and social risks

The Audit and Risk Committee is responsible for reviewing whether the Company has any material exposure to any environmental or social risks and if so, to oversee any strategies to mitigate those risks. The Company does not have any material exposure to environmental and social risks.

Further information about PEXA's environment, social and governance initiatives is available in the Annual Report and ESG Report.

Principle 8: Remunerate fairly and responsibly

Remuneration

The Remuneration, Nomination and People Committee is responsible for making recommendations to the Board in relation to the Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives.

Details about the Company's remuneration strategy and policies and practices are set out in the Remuneration Report. The remuneration of Non-Executive Directors is fixed and reflective of the role that the Director serves on the Board and Committees. Non-Executive Directors do not participate in any incentive plans and do not receive retirement benefits other than superannuation.

PEXA's Remuneration Report is included in the Annual Report which is available on the Company's website.

Securities Trading Policy

PEXA's Securities Trading Policy sets out the rules that restrict dealings in the Company's shares and is designed to help prevent employees from contravening laws on insider trading. Under the Policy, and as required by law, all Directors and employees are prohibited from trading in the Company's shares at any time if they are aware of any market sensitive information that has not been made public. Trading is only permitted during specified times throughout the year and provided that the employee has received clearance from the relevant authorised officer.

All Company share dealings by Directors are notified to the ASX within the required time. The Policy also specifically prohibits entry into transactions in associated products that limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

A copy of the Securities Trading Policy is available on the Company's website. Recommendations 9.1, 9.2 and 9.3 do not apply to the Company.