

Code of Corporate Governance

Kelly Partners Group Holdings Limited
ACN 124 908 363

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Code of Corporate Governance

The Directors have prescribed the following terms as the Corporate Governance Code of the Company. This was approved by board resolution on 9 May 2017.

1. Management Ethics

Management of the Company is to be conducted at the highest standards.

The Board will ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour in their corporate activities. In doing so Directors, officers and employees must, in conducting the affairs of the Company:

- (a) comply with the law;
- (b) act in the best interests of the Company;
- (c) be responsible and accountable for their actions; and
- (d) observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts, in relation to employees, customers, suppliers and shareholders and the communities in which the Company operates.

2. Corporations Act - Disclosure Requirements

Section 674 of the Act means the Company must comply with the Listing Rules of the ASX.

3. ASX Listing Rules

The Directors acknowledge that they have the responsibility to ensure that the Company shall observe both the spirit and the terms of the ASX Listing Rules.

This has two aspects:

- (a) The general obligations under Listing Rule 3.1 which require the Company to disclose to the ASX all the information which is material to the price or value of the securities of the Company unless various exceptions apply; and
- (b) The specific obligations pursuant to other Listing Rules to notify the ASX of particular events, transactions, developments or circumstances which are prescribed in the Listing Rules from time to time.

4. Board Composition

The Board of Directors accepts responsibility to shareholders for the Company's overall corporate governance. The Board is currently comprised of three executive Directors and two non-executive Directors.

The Board's responsibilities relevant to corporate governance issues are acknowledged to be:

- (a) establishing and reviewing the criteria for Board membership;

- (b) final approval of the composition of the Board and developing succession plans for both executive and non-executive Directors
- (c) identifying and nominating possible new candidates for the Board and assessing proposed new appointments;
- (d) compiling the Company's annual and other reports in awareness of its corporate governance responsibilities;
- (e) reporting to shareholders and other stakeholders in the Company, including staff, suppliers and customers;
- (f) reviewing and determining strategic direction and policy;
- (g) establishing management goals and performance benchmarks, and monitoring achievement of them; and
- (h) ensuring the Company observes or exceeds its obligations of disclosure.

In addition to scheduled meetings, other meetings may be held on short notice as required. Meetings of Directors will be held as and when required.

5. Appointment and Retirement of Directors

The Board shall regularly and in a timely way consider the appointment and retirement of non-executive Directors on a case by case basis. In doing so, the Board must take into account the requirements of the Listing Rules and the Corporations Act.

Currently, all Directors (other than the Managing Director) are required to be re-elected at least every three years and there must be an election of Directors at each annual general meeting.

6. Nomination and Remuneration Committee

The Board shall appoint and maintain a Nomination and Remuneration Committee of the Board, to comprise all non-executive Directors (where possible) and such other persons external to the Company as the Committee shall propose.

The nomination and remuneration committee will be responsible for:

- (a) reviewing and approving the remuneration of executive Directors and other senior executives;
- (b) reviewing the remuneration policies of the Company generally; and
- (c) reviewing the composition of the Board and developing succession plans for both executive and non-executive Directors.

7. Business Risks

The Board is responsible for identifying and monitoring areas of significant business risks. Internal control measures currently adopted include:

- (a) monthly reporting to Directors in respect of operations and the Company's financial position, with a comparison of actual results against budget; and

- (b) regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

8. Audit and Risk Committee

The Directors shall establish and maintain an Audit and Risk Committee, ensuring the majority of which will be non-executive Directors (where possible).

The responsibilities of the Audit and Risk Committee include:

- (a) recommending to the Board nominees for appointment as external auditors and the terms and conditions of their appointment;
- (b) reviewing the performance of the external auditors and monitoring the level of fees charged;
- (c) ensuring that the financial statements of the Company comply with the Corporations Act, the Listing Rules, other legal requirements and, in addition, the highest standards of accuracy and disclosure appropriate to the Company;
- (d) reviewing external audit reports and evaluating the adequacy of internal controls and management responses. This task includes identifying any deficiencies or breakdowns in controls and ensuring that appropriate remedial action is taken;
- (e) assisting the Board of Directors to develop the Company's financial statements and related releases to the highest standards appropriate for delivery to the ASX and other destinations for the benefit of the Company;
- (f) establishing and reviewing internal risk management benchmarks and compliance levels;
- (g) establishing and reviewing occupational health and safety benchmarks, related statutory responsibilities and compliance levels; and
- (h) such other responsibilities and authorities as the Board may delegate to the Committee.

9. Independent Professional Advice

In fulfilling their duties, each Director and the members of each committee established by the Directors dealing with corporate governance, audit or other matters may obtain independent professional advice at the Company's expense. Prior approval of the Chairman of the Company is required, which approval must not be unreasonably withheld.

10. Share Trading by Directors, officers and employees

The Company's policy restricts trading by the Directors, officers and employees in securities of the Company to certain times and circumstances. Directors, officers and employees are not permitted to trade shares in the Company at any time from 1 July each year until after the release of the Company's full year results and from 1 January until after the release of the Company's half year results. Trading in

the Company's shares outside of such times and circumstances is permitted then only in accordance with legal requirements.