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K&S CORPORATION LIMITED

ABN 67 007 561 837

Corporate Governance Statement for the year ended 30 June 2025

The Board of Directors of K&S Corporation Limited is responsible for the governance of the consolidated entity. The Board guides and monitors the business and affairs of K&S Corporation Limited on behalf of the Shareholders by whom they are elected and to whom they are accountable.

In keeping with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations, this statement outlines the Company's compliance with the ASX principles.

The K&S Corporation Limited Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Principle 1

Lay solid foundations for management oversight

Principle 2

Structure the board to be effective and add value

Principle 3

Instill a culture of acting lawfully, ethically and responsibly

Principle 4

Safeguard the integrity of corporate reports

Principle 5

Make timely and balanced disclosure

Principle 6

Respect the rights of shareholders

Principle 7

Recognise and manage risk

Principle 8

Remunerate fairly and responsibly

The Roles of the Board and Management

The Board has a Charter which establishes the relationship between the Board and Management and describes their functions and responsibilities in a manner which is consistent with ASX Principle 1.

The role of the Board is to oversee and guide the Management of K&S Corporation Limited and its businesses with the aim of protecting and enhancing the interests of Shareholders while taking into account the interests of employees, customers, suppliers and the community at large.

The Board is responsible for setting and approving the strategic direction of the Company, establishing goals for Management and monitoring the achievement of those goals. The Board is responsible for defining the Company's purpose and approving its statement of values and having oversight of the behaviours of the Managing Director and senior executive team to instill the Company's values amongst all employees. The Board is also responsible for appointing, overseeing and evaluating the performance of, and ultimately for the removal of, the Managing Director.

The Managing Director is responsible to the Board for the day to day management of the Company. Matters delegated to the Managing Director by the Board include:

- developing business plans, budgets and strategies for consideration by the Board and (where approved by the Board) the implementation of such business plans, budgets and strategies;

- identifying and managing operational risks that could have a material impact on the Company and its operations and implementing internal controls and procedures to ensure that the Company's business operates within legislative requirements and the risk parameters approved by the Board from time to time; and
- ensuring that transactions, commitments and arrangements that exceed thresholds set by the Board from time to time are approved by the Board.

The Company's Board Charter which sets out the full roles and responsibilities of the Board and Management respectively is available on the Company's website (www.ksgroup.com.au).

Non-Executive Directors have written agreements with the Company setting out the terms of their appointment.

The Company Secretary is accountable directly to the Board, through the Chairman, for the proper administration and functioning of the Board.

All Management, including the Managing Director, have clear statements of roles and responsibilities. The performance of Key Executives is reviewed not less than annually by the Managing Director.

The review involves an open exchange of ideas between the Managing Director and Key Executives. The performance of Key Executives is reviewed against matters including financial targets (eg. budget), safety management, and achievement of specific strategic and business objectives.

Structure of the Board

The Board currently comprises of five Non-Executive Directors, including the Chairman, and one Executive Director, namely, the Managing Director.

The qualifications, experience and periods of service of each of the Directors is set out on pages 1 and 2 of the Company's statutory accounts for the year ended 30 June 2025.

Directors are expected to bring independent views and judgment to the Board's deliberations. Consistent with the ASX Principles, the Board Charter requires the Board to include a majority of Non-Executive Directors, a Non-Executive Chairman and to have a different person filling the roles of Chairman and Managing Director. The Chairman of the Audit Committee cannot be Chairman of the Board.

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered independent judgment. Materiality of business and other relationships held by a Director is considered from both the Company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements.

Quantitative factors relate to the financial value of the business or other relationship. Qualitative factors considered include whether a relationship is strategically important, the competitive context of the relationship, the nature of the relationship and the contractual or other arrangements governing it or other factors which point to the actual ability of the Director in question to influence the direction of the Company other than in the best interests of the Company as a whole.

The Board has reviewed the position of each of the Directors in office at the date of this report and considers the following Directors of the Company to be independent:

Name	Position
G Walters	Non-Executive Director
S Emmett	Non-Executive Director
R Dalton	Non-Executive Director

The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate.

The Board considers the following Directors as not independent:

P Sarant Managing Director

T Johnson Non-Executive Director (Chairman)

Mr Johnson is a Director of AA Scott Pty Ltd, the largest Shareholder of K&S Corporation Limited.

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L Winser Non-Executive Director

Mr Winser is a director of several companies with the Scott Group of Companies, including AA Scott Pty Ltd, the largest shareholder of K&S Corporation Limited.

The date of appointment of each Director of the Company is set out on pages 1 and 2 of the Company's 2025 statutory accounts.

The Board structure is consistent with ASX Principle 2, with the exception of:

- Recommendation 2.4 which requires that the majority of the Board (inclusive of the Managing Director who is non-independent) be independent Directors, although the majority of Non-Executive Directors are independent. The Board considers that the mix of skills and experience of and the contributions by the non-independent Non-Executive Directors offsets the benefits to the Company of having a majority of independent Directors. However, as part of the review of Board Performance, Directors have regard to the balance of independent and non-independent Non-Executive Directors.

- Recommendation 2.5 which requires that the Chairman of the Board be an independent Director. Mr Johnson is Chairman of the Board and is not considered by Directors to be independent. Mr Johnson however is a non-executive Chairman and does not also share the role of CEO. The Board considers that the skills and experience that Mr Johnson brings as Chairman add value to the deliberations and functioning of the Board.

The Company has a Diversity Policy which is consistent with ASX Principle 1, with the exception that the Company has not adopted a formal target of not less than 30% of Directors of each gender. The Company notes that as it is not in the S&P/ASX 300 index, this recommendation in the ASX Principles does not apply to the Company.

The objective of the Diversity Policy is to promote a corporate culture within the Company where the diverse experiences, perspectives and backgrounds of people are valued and embraced and which is conducive to the recruitment of well qualified and diverse employees, senior management and Board members.

There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

The Board meets formally eleven times a year and on other occasions as required. During the course of the year, the Board's sub-committees meet on a number of occasions to deal with their specific responsibilities in relation to the Company's business. Senior Management attend and are a vital ingredient to the sub-committees, providing information and responding to questions of the Directors. All Directors have unrestricted access to all employees of the Group and, subject to the law, access to all Company records and information held by employees and external advisers. The Board receives regular financial and operational reports from Senior Management to enable it to carry out its duties and responsibilities. The Board also visited one of the Group's operational sites during the course of the year, having visited a number of the Group's operational sites in Australia and New Zealand the previous year.

Retirement and Re-election of Directors

The Company's Constitution requires one third of the Directors, other than the Managing Director, to retire from office at each Annual General Meeting. Directors who have been newly appointed by the Board during the year are also required to stand for re-election at the next Annual General Meeting, but are not taken into account in determining the number of Directors retiring at that Annual General Meeting. Retiring Directors are eligible for re-election by Shareholders.

The Company discloses all material information in its possession relevant to the decision of Shareholders whether to re-elect Directors in the explanatory notes to the Company's notice of annual general meeting. In particular, the Company provides details of Directors' relevant experience and qualifications, tenure, other material directorships, independence, shareholding, and any associations with and/or interests in the Company. The Company also includes a recommendation to Shareholders from the Board (excluding always the relevant Director standing for re-election) on whether to vote in favour of the re-election of Directors.

Review of Board Performance

The Board has implemented a process for the regular review of its overall performance, consistent with ASX Recommendation 1.6. Regular review involves both analysis by the Board of the results of a questionnaire completed by all Directors. A review of the Board's performance was undertaken in respect of the year ended 30 June 2025.

The Board's performance review departs from Recommendation 1.6 as the review is conducted by the full Board, and not the Nomination and Remuneration Committee. As the Board is comprised of only six Directors, the Board considers this the most effective way to address its own performance.

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Committees of the Board

Three standing Board Committees assist the Board in the discharge of its responsibilities.

These committees are:

- The Audit Committee
- The Nomination and Remuneration Committee
- The Environmental Committee

Audit Committee

The Board has an established Audit Committee, which operates under a Charter approved by the Board.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguard of assets, the maintenance of proper accounting records, and the reliability of financial information.

The Board has delegated to the Audit Committee the responsibility of overseeing the financial reporting process of the consolidated entity and ensuring the competency and independence of the Company's external auditors, consistent with ASX Principle 4.

The Audit Committee provides the Board with additional assurance regarding the reliability of the financial information for inclusion in the financial reports. All members of the Audit Committee are Non-Executive Directors.

Among the specific responsibilities set out in the Audit Committee Charter, the Audit Committee reviews all published accounts of the Group, reviews the scope and independence of external audits, reviews any comments and recommendations by the external auditors in relation to the company's systems for internal compliance and control, advises on the appointment, performance and remuneration of the external auditors, and reviews reports and recommendations of targeted internal audit related activities.

The members of the Audit Committee during the year were:

Mr Walters (Chairman)
Mrs Emmett
Mr Dalton

The Board considers Mrs Emmett and Messrs Walters and Dalton to be independent using the ASX Council's definition of independence.

The Company complies with ASX Council Recommendation 4.1 which recommends that the Audit Committee consist of at least three members who are all Non-Executive and the majority independent.

The Managing Director, the Chief Financial Officer, the Company Secretary & General Counsel, the Group Financial Controller, the external Auditors and any other persons considered appropriate attend meetings of the Audit Committee by invitation. The Committee also meets from time to time with the external Auditors independent of management.

The Audit Committee met on seven occasions during the course of the year. Each of the members of the Audit Committee attended all of the meetings.

Nomination and Remuneration Committee

Consistent with ASX Principles 2 and 8, the Board has a Nomination and Remuneration Committee with a formal Charter. The role of the Committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Managing Director, Senior Executives, Salaried Staff and Directors themselves where requested to do so by the Board.

The Nomination & Remuneration Committee does not comply with Recommendations 2.1 and 8.1 as only the chair, Mr Walters, is considered by Directors to be independent.

Upon the request of the Board, the Nomination and Remuneration Committee may make recommendations to the Board as to the nomination and appointment of new Directors. However, as the Board of K&S Corporation Limited is comprised of only six Directors, Directors are of the view that the nomination and appointment of new Directors is most efficiently discharged by the Board. For this reason, Directors are of the view that the presence of a majority of Directors considered not to be independent did not compromise the effectiveness of the Nomination & Remuneration Committee or the integrity of the decision making process by the Board as a whole on matters relating to nomination and remuneration.

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When appointing new Directors, the Board has regard to the spread of skills and qualifications, experience, and independence of both the potential appointee and the existing members of the Board. The Board does not have a formalised skills matrix that it uses when considering Board composition and the appointment of new Directors. However, the Board is of the view that a good depth of transport industry exposure and expertise is an integral element of the skills to be represented on the Board. The Board also views accounting and legal expertise as important elements to allow it to effectively discharge its duties and responsibilities. The Board also has regard to whether a potential director has contacts or networks that may enable the Company to access new markets or industry sectors and/or to generate new business opportunities. The Board recognises that a diversity of backgrounds and experience in its members will contribute to the Board functioning at its optimum.

Prior to appointing new Directors (and also Senior Executives), the Board arranges for appropriate background and reference checks to be undertaken. These checks may include the proposed Director's character (via reference checks), education and qualifications, and any criminal convictions, bankruptcy or insolvency that may preclude the proposed Director from appointment.

The Company currently does not have a formal induction program for new Directors. The Company does however make available to new Directors past board papers and board minutes as well as the Company's constitution and key policies and codes of conduct. As any new appointments of Non-Executive Directors are contemplated, the Company will review the desirability of a more structured induction program.

In the case of ongoing development, the Company schedules some monthly board meetings at different operational sites to enable Non-Executive Directors to familiarise themselves with the Company's business and activities. The Board also receives presentations from members of the Executive Team.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The Company does not use any equity based compensation arrangements for Directors or Senior Executives.

The Nomination and Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages, as well as benchmarking comparable company remuneration data. No external advice was sought in relation to remuneration in the course of the 2024/25 financial year.

The members of the Nomination and Remuneration Committee during the year were:

Mr Walters (Chairman)
Mr Winser
Mr Johnson

The Nomination and Remuneration Committee meets as required. The Committee met formally twice in 2024/25. Messrs Walters, Winser, and Johnson all attended both formal meetings of the Committee.

The Company's Non-Executive Directors receive only fees and superannuation for their services and the reimbursement of reasonable expenses. The fees paid to the Company's Non-Executive Directors reflect the demands on, and responsibilities of, those Directors.

The advice of independent remuneration consultants may be taken, as well as benchmarking against external remuneration data for comparable companies to establish that the Directors' fees are in line with market standards. Non-Executive Directors do not receive any shares, options or other securities in addition to their remuneration. In 2023/24, the Nomination & Remuneration Committee benchmarked remuneration payable to Non-Executive Directors against remuneration data contained in the 2023 Australian Board Remuneration Survey report published by McGuirk Management Consultants and Governance Institute of Australia. Chair and Non-Executive Director remuneration paid by the Company was below the median amount across a range of different criteria (eg, revenue, assets, head count, and ASX listed) in that report. The Nomination & Remuneration Committee did not benchmark remuneration payable to Non-Executive Directors in 2024/25.

The directors' fee pool limit of $750,000 for Non-Executive Directors was approved by Shareholders at the Annual General Meeting on 29 November 2022. This fee pool is only available to Non-Executive Directors. The Non-Executive Directors received $103,165 inclusive of superannuation each and the Chairman was paid $173,902 inclusive of superannuation in 2024/25. Committee membership does not entitle a Director to additional fees.

Details of the employment contract of Mr Sarant can be found on page 13 of the Remuneration Report.

The Non-Executive Directors' retirement benefits scheme entitlements were frozen in years of service as at 30 June 2004 and will be paid on retirement. Under the terms of the Non-Executive Directors' retirement benefit scheme, participating Directors are entitled to receive up to the total remuneration paid to them in the last three years upon their retirement in accordance with the following formula:

RB = TR x (Y ÷ 15)

where
RB = retirement benefit payable to the Director on retirement
TR = the total remuneration paid to the Director in the last three years
Y = the years of service of the Director prior to 30 June 2004, provided that Y shall not exceed 15

Non-Executive Directors appointed after 30 June 2004 are not eligible to participate in the retirement benefits scheme. Mr Johnson is the only remaining Director eligible to participate in the grand-fathered retirement benefit scheme.

The structure and disclosure of the Company's remuneration of Non-Executive Directors is consistent with ASX Principle 8.

Further details of Directors' remuneration, superannuation and retirement payments are set out in the Remuneration Report forming part of the Company's statutory accounts for the year ended 30 June 2025.

Diversity

The measurable objectives for achieving gender diversity set by the Board and progress towards achieving those objectives are:

- The Nomination and Remuneration Committee must review participation rates for women across all levels of the workforce not less than annually. That review was undertaken by the Committee in respect of 2024/25. The Company saw participation rates for women remain relatively static at all levels of the organisation.
- The Nomination and Remuneration Committee is to review pay parity data for women and men across all levels of the workforce not less than annually to determine whether there is any unconscious bias. To the extent that the review suggests that unconscious bias may exist, Management is to investigate and report to the Committee the causes of that bias, as well as to develop recommendations to address any bias.
- The Committee reviewed pay parity data in respect of 2025/24 and Management has investigated whether unconscious bias exists. As women are over-represented in some areas of the Company's workforce (eg, administration) and under-represented in other areas of the work-force (eg, operational), the data requires careful analysis.

The Company's Workplace Gender Equality Act "Gender Equality Indicators" report can be accessed via the website of the Workplace Gender Equality Agency (www.wgea.gov.au/public-reports). A summary of the Company's "Gender Equality Indicators" report is also available on the Company's website (www.ksgroup.com.au).

The Company notes that the transport and logistics industry continues to have a stereotyped male dominated environment, with a substantial proportion of the Company's workforce required to perform labour intensive / manual handling tasks as well as significant overtime and remote work in the course of their employment duties. While the Company is committed to diversity, the nature of the work undertaken by many employees has made it challenging to attract women to these roles. The Company will review on an ongoing basis the opportunities to overcome these impediments to higher participation rates by women.

Other diversity initiatives pursued by the Company include a number of strategic and tactical initiatives aimed at attracting, developing and retaining female employees. As part of that strategy, the Company is reviewing a range of more flexible employment practices.

Environmental Committee

The Board has an Environmental Committee, which operates under a Charter approved by the Board. The role of the Committee is to monitor environmental incidents, exposures and compliance with environmental regulations.

The members of the Environmental Committee during the year were:

Mr Johnson (Chairman)
Mr Winser
Mr Sarant *

* The Board considers it appropriate that the Managing Director be a member of the Environmental Committee.

The Company Secretary acts as Secretary to the Environmental Committee.

The Environmental Committee is responsible for:

- reviewing and recommending, as appropriate, changes to the Company's environmental policies;
- ensuring the adequacy of environmental procedures and controls implemented by Management;

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- reporting to the Board on Company compliance with environmental procedures and controls;
- reviewing the adequacy and effectiveness of resources devoted to informing employees of their environmental obligations and to training employees to operate within Company guidelines and legal requirements;
- monitoring conformance by the Company with mandatory environmental reporting and improvement regimes;
- regular monitoring of licence requirements, with performance against licence conditions reported to the various State regulators on a regular basis; and
- reviewing any environmental incidents that have occurred and monitoring actions taken or to be taken.

To enable it to meet its responsibilities, the Committee has established a regular internal reporting process.

The Environmental Committee met four times during the year. Messrs Johnson, Winser and Sarant attended all four meetings of the Committee.

Financial Reporting

Consistent with the ASX Recommendation 4.2, the Company's financial report preparation and approval process for the financial year ended 30 June 2025, involved both the Managing Director and Chief Financial Officer certifying that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

In accordance with Recommendation 4.2, this sign off also includes assurances as to the Company's risk management processes and internal compliance and control procedures.

Periodic reports issued by the Company are reviewed by the Audit Committee, with a recommendation then made to the Board of Directors to adopt those periodic reports. The Board of Directors then review all periodic reports prior to formally approving them for release to the ASX.

Audit Governance and Independence

As part of the Company's commitment to safeguarding integrity in financial reporting, the Company has implemented a review process to monitor the independence and competence of the Company's external Auditor.

The Company's current external Auditors are Ernst & Young. The effectiveness, performance and independence of the external Auditor is reviewed by the Audit Committee at least annually. The format of that review includes discussing the performance of the external Auditors with Management while the Auditors are not present. The Audit Committee also meets with the external Auditors in the absence of Management to review the conduct of the half year review and full year audit.

Ernst & Young has a policy for the rotation of the lead audit partner for their clients. Under that policy, the lead audit partner and the audit review partner for the Company were most recently rotated following completion of the audit for the year ended 30 June 2022. The current lead audit partner will be rotated off the audit of the Company at the conclusion of the audit of the financial statements for the year ended 30 June 2027.

The Audit Committee's Charter requires the provision of non-audit services to the Company or its business units by the external audit firm to be approved by the Audit Committee.

In accordance with sections 249V and 250T of the Corporations Act 2001 (Cth), the Company's auditor, Ernst & Young, attends and is available to answer questions at the Company's Annual General Meeting.

Risk Management

Consistent with ASX Principle 7, the Company is committed to the identification, monitoring and management of material risks in the business. Those material risks include a full spectrum of financial, strategic, compliance, and operational risks.

While not wishing to stifle the entrepreneurial endeavours of Senior Executives, the Board takes a relatively conservative approach to risk.

The Board requires that Management have in place a system to identify, monitor, and manage the material business risks faced by the Company. The management systems in place as part of the risk management controls include:

- Capital expenditure commitments above set limits obtain prior Board approval.

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- Financial exposures are controlled and the use of any derivatives or hedging arrangements must be approved by the Board.
- Occupational health and safety standards, chain of responsibility, and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations.
- Periodic external audits and internal reviews of the Company's safety management system to comply with the requirements of the Company's self-insurance licence for workers compensation.
- Regular external audits of the Company's maintenance management system, basic fatigue management system, and mass management system to comply with the National Heavy Vehicle Accreditation Scheme (NHVAS) business rules.
- Business transactions are properly authorised and executed.
- A comprehensive annual insurance programme, including external risk engineering survey and action plans.
- Annual budgeting and monthly reporting systems for all business units, which enable the monitoring of progress against performance targets and the evaluation of trends.
- Appropriate due diligence procedures for acquisitions and divestments.
- Disaster management and business continuity systems for key IT systems and recovery plans, including specifically cyber security risks.
- Documentation and regular review of business wide risk identification and mitigation strategies.
- The completion by executive managers and divisional managers of 'representation letters' in connection with the certification by the Managing Director and Chief Financial Officer that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results.
- Review by the Audit Committee in conjunction with Management of all findings and recommendations in the Management Letter and Closing Report provided by the Company's external auditors, Ernst & Young, as part of the full year audit and also half year review of the Company's accounts.

  Review by the Audit Committee in conjunction with Management of all findings and recommendations in targeted investigation reports in relation to financial and administrative processes and controls submitted to the Audit Committee from time to time by suitably qualified external service providers.
- Annual cyber security assessments of the Company's information technology environment conducted by external experts.

The Company has a risk management policy consistent with ASX Principle 7. The Company also has a number of policies and internal documents that are central to the management of risk. Those documents include:

- The Risk Register that is designed to comprehensively document and rate key business risks to which the Company is exposed, as well as setting out the actions being undertaken by Management to mitigate those risks.
- The Company's Levels of Authority Statement which sets out the different levels of authority delegated to the Managing Director, General Managers, and Branch Managers in relation to financial and business matters such as capital expenditure, acquisitions, entering into contracts, treasury issues, and employment related issues.
- The Company's Administration Manual which sets out the financial and administrative protocols for all staff.
- The Company's electronic purchasing system which has embedded financial limits for different tiers of management and administration and ensures that purchase orders issued by the Company are properly authorised.
- The Company's HS&E Manual and supporting documented policies and procedures which are designed to minimise the risk of harm to employees engaged in operational tasks.
- The Company's Quality Management System coupled with its extensive documented operating and compliance focused policies and procedures which are designed to ensure that the Company's operations are conducted using industry best practice and in accordance with the numerous legislative regimes that apply.
- The Company's Disaster Recovery Manual which sets out all of the protocols associated with the Company's disaster recovery plan.

- The Company's Crisis Management Plan (CMP) which provides structured guidance on how the Company's senior executives are to respond to and manage any crisis that may arise. In 2024/25, detailed Business Continuity Plans (BCP) were also developed for key functions and operations. The BCP is designed to operate in conjunction with the CMP.

Management is responsible to the Board for the Group's system of internal control and risk management.

The Managing Director and the Chief Financial Officer also certify on an annual basis that the Company has a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks.

The Company is of the view that risk management is a key governance function. As the Board is comprised of only six Directors (including the Managing Director), the Board is of the view that the setting of risk parameters and the oversight of risk management is best discharged by the Board as a whole. Consequently, the Company does not have a stand alone risk committee.

The Company undertakes targeted internal audit activities, with those activities performed by suitably qualified external service providers in the year ended 30 June 2025. Internal audit activities are focused predominantly on financial and administrative processes and controls, rather than the full spectrum of risks faced by the Company such as work health and safety, chain of responsibility, environment social and governance and reputation, employment relations, and cyber security contained in the Company's strategic risk register. Internal audit activities undertaken by the Company do not meet the independence requirements in the Global Internal Audit Standards and updated guidance materials issued by The Institute of Internal Auditors in September 2024. However, the Audit Committee does meet with the external service providers who have undertaken targeted internal audit related reports without Management present.

The Board and the Audit Committee reviewed the scope and scale of internal audit related activities in the course of 2024/25. Having regard to the fact that a number of key accreditations (eg, self-insurance for workers compensation, mass, fatigue and maintenance management accreditations) are subject to mandatory external audits, comprehensive annual cyber security testing is undertaken by external experts, and the estimated costs associated with fully resourcing an internal audit function as contemplated by the Global Internal Audit Standards (inclusive of appointing a chief audit executive) were very substantial, it was determined that the existing focus of internal audit reviews on financial and administrative processes and controls remained appropriate. The Board also determined that the use of suitably qualified external service providers to undertake any activities relating to internal audit remained appropriate.

The Company operates in a highly competitive industry and has a material exposure to a range of economic factors including competitive forces, a low growth domestic economy, the decline of the domestic manufacturing sector, falling commodity prices, and key customer contract exposure. A number of the Company's key customers also operate in energy and/or emissions intensive industries and in some instances are subject to the carbon emissions Safeguard Mechanism. The Company seeks to mitigate these risks by differentiating itself from its competitors, diversifying the nature and scope of its activities across a number of sectors, geographic regions, and customer groups, as well as staggering the expiry dates of key customer contracts.

The Company also faces material exposures around compliance with legislative obligations (including transport laws) and the potential that a serious incident or accident could result in death, serious injury and/or environmental harm, as well as major reputational damage and the loss of key customer contracts. The Company seeks to mitigate this exposure via policies, procedures, maintenance of external accreditations, and training.

The Company is also exposed to risk associated with climate events. Climate events can impact upon the Company's customer base and/or the ability of the Company to provide services to its customers. The Company seeks to mitigate its exposure to climate event risks by diversifying the nature of its activities across a number of sectors, geographic regions, modes of transport, and customer groups. The Company developed detailed BCP's in the course of 2024/25 to formalise processes to restore key functions and operations in the event of any major climate related disruptions.

The Company's comprehensive internal Risk Register catalogues key economic, environmental and social sustainability risks in respect of which the Company has identified a material exposure. The internal Risk Register documents risk mitigation strategies employed by the Company and is reviewed by the Board quarterly. In 2024/25, the Company's senior executives again undertook a detailed review of the Risk Register and applicable risk treatments at its annual two day dedicated risk management workshop.

The Company operates on a five year cycle for the renewal and replacement of key motorized fleet. Motorized fleet is currently sourced predominantly from leading European manufacturers, ensuring that fleet keeps pace with the stringent environmental standards (currently Euro 6) dictated by the European Union. This comparatively short capital renewal and replacement cycle mitigates the risk that the Company's motorized fleet will become obsolete or redundant.

The Company has ensured that it has a sound balance sheet with low gearing, as well as access to liquidity.

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Continuous Disclosure

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the Australian Securities Exchange securities market and has adopted a comprehensive policy covering announcements to the Australian Securities Exchange.

The Company Secretary has the responsibility for overseeing and co-ordinating disclosure of information to the Australian Securities Exchange. The Company Secretary also liaises with the Managing Director, Chairman and Chief Financial Officer in relation to continuous disclosure matters.

The Board approves all price sensitive releases to the Australian Securities Exchange prior to release.

The Company posts all price sensitive releases to the Australian Securities Exchange on the Company's website.

The Company's Continuous Disclosure Policy is consistent with ASX Principle 5.

The Company is not presently in the practice of providing investor briefings. However, if this practice is adopted the Company will release a copy of any presentation to be provided immediately prior to the commencement of any briefing.

Conflict of Interest

In accordance with the Corporations Act 2001 (Cth) and the Company's Constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of Director related entity transactions with the Company and consolidated entity are set out in Note 21.

Director Dealing in Company Shares

The Constitution permits Directors and Officers to acquire shares in the Company, subject to very limited exceptions contemplated in the Listing Rules. Company policy prohibits Directors, and Officers from dealing in Company shares or Executive options:

- in the period of 60 days prior to the release of the Company's half year and annual results to the Australian Securities Exchange;
- whilst in possession of price sensitive information.

In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange, the Company advises the Exchange of any transactions conducted by Directors in shares in the Company.

International Quality Standard ISO 9001

The consolidated entity strives to ensure that its services are of the highest standard. Towards this aim, it has achieved ISO 9001 accreditation for its core business segment. The Company's Occupational Health & Safety, return to work, and claims management systems are audited by Comcare against 108 criteria that are aligned to AS4801.

Ethical Standards

In accordance with Principle 3, the Board has adopted a Code of Conduct to guide the Directors, Management and all employees and promote high ethical and professional standards.

The Board acknowledges the need for continued maintenance of the highest standards of Corporate Governance practice and the ethical conduct by all Directors and employees of the Company and has approved the following policies:

Code of Conduct

The Company has a Code of Conduct for its employees to act within the law, avoid conflicts of interest, protect Company property, keep information confidential and act honestly and ethically in all business activities. The Code of Conduct articulates the Company's values and purpose. A copy of the Code of Conduct is available on the Company's external website www.ksgroup.com.au .

The Code of Conduct is complemented by a Whistle Blower Policy which provides protection to employees who report instances of malpractice, impropriety, misconduct, or other unethical or illegal conduct involving the Company or its employees. The Company maintains an externally resourced whistleblower hotline and reporting platform and the Board is informed of any whistleblower reports.

The Company has also adopted an Anti-bribery and Corruption Policy prohibiting corrupt and other unethical business practices such as bribery and the use of facilitation payments, secret commissions, or money laundering.

Trade Practices

The Company has a Trade Practices Policy advising employees on the legislative prohibitions on price fixing and anti-competitive arrangements, as well as other prohibited conduct.

Other Policies

Amongst other policies endorsed by the Board in previous years are the Occupational Health and Safety, Environment Protection, Electronic Communications policies and the Transport Law Compliance Policy.

The Group's ethical standards are consistent with the requirements of ASX Principle 3.

Communication with Shareholders

The Company places considerable importance on communication with Shareholders.

The Company's communication strategy promotes the communication of information to Shareholders through the distribution of the Annual Report, announcements through the Australian Securities Exchange and subsequently the media regarding changes to the business, and the Chairman's and Managing Director's addresses at the Annual General Meeting.

The Company actively invites, and responds to, questions from Shareholders at the Annual General Meeting. The Company's AGM in November 2024 was held in person and all resolutions were determined via a poll, rather than on a show of hands.

Shareholders have the ability to receive communications from the Company (eg, annual reports) and the Company's Share Registry, Computershare, (eg, dividend statements) electronically.

K&S Corporation Limited posts all price sensitive reports, Australian Securities Exchange releases and media releases on the Company's website.

The communication strategy is consistent with ASX Principle 6. The Company's Communication Policy is available on the Company's website: www.ksgroup.com.au.

Approved by the Board of Directors of K&S Corporation Limited on 25 August 2025

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