

2022 CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out details of humm group Limited's (ABN 75 122 574 583) ("the Company", "the Group" or "hummgroup") corporate governance practices for the year ended 30 June 2022 ("Reporting Period"), including the Company's position in respect of each of the Australian Securities Exchange ("ASX") Corporate Governance Council's ("ASX CGC") Corporate Governance Principles and Recommendations 4th Edition ("Recommendations").

As recommended by the ASX CGC, information in relation to corporate governance practices is publicly available on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

The Board has established a framework of processes and guidelines for the Company that includes corporate policies and monitoring procedures; financial and operational business risk management and internal control systems; and standards for ensuring lawful and ethical conduct.

During the Reporting Period, the Company entered into a Share Sale Agreement with Latitude Group Holdings Limited for the sale of the hummgroup consumer finance business. On 17 June 2022 the Company announced that the proposed sale had been terminated by mutual agreement. Following the announcement of the termination, the Company received the resignations of Mr Alistair Muir and Mr John Wylie AC on 22 June 2022; Ms Christine Christian AO (who also stepped down as Chair), Ms Carole Campbell, Mr Rajeev Dhawan on 30 June 2022. All resignations were effective immediately.

As at the date of this Corporate Governance Statement, the Board is majority independent and consists of Mr Andrew Abercrombie (Chair), Ms Teresa Fleming and Mr Stuart Grimshaw. Details of the changes in the Board composition are included in the Annual Report.

This Corporate Governance Statement is current as at 25 August 2022 and has been approved by the Board of the Company.

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Have and Disclose a Board Charter

Board Responsibilities

The Board has overall responsibility for the conduct and governance of the Company, including providing strategic guidance and effective oversight of management. The Board's role and responsibilities are formalised in the Board Charter, which defines the matters reserved for the Board and its Committees and those responsibilities delegated to the Chief Executive Officer ("CEO") and management. A copy of the Board Charter - and all Board Committee Charters - is available on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

Within the scope of the governance framework established by the Board, management of the business and operations of the Company is delegated to the CEO, subject to the oversight and supervision of the Board.

The Board's responsibilities include:

- overseeing the development of the Company's corporate strategy and reviewing and approving strategic plans and performance objectives developed by management, including monitoring of the implementation of the plans;
- appointing the Chair, CEO, the Chief Financial Officer ("CFO") and the Company Secretary and approving other key executive (direct reports to the CEO) appointments and planning for key executive succession;
- monitoring the performance of the CEO and other senior executives of the Company against strategy;
- reviewing and approving remuneration for the senior executives of the Company;
- monitoring the operational and financial position and performance of the Company;
- requiring that financial and other reporting mechanisms be put in place which result in accurate and timely information being provided to the Board and the Company's shareholders and the financial market as a whole being fully informed of all material developments relating to the Company;
- approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;

- ensuring effective communication with shareholders, particularly timely and balanced disclosure of all material information concerning the Company, which would have a material effect on the price and value of the Company's securities, and establishing policies to govern the Company's relationship with other stakeholders;
- utilising procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and statutory requirements;
- identifying the principal risks faced by the Company and requiring management to establish and implement appropriate internal controls and monitoring systems to manage and reduce the impact of these risks;
- establishing, overseeing and regularly reviewing a system for identifying, assessing, monitoring and managing material financial and non-financial risk throughout the Company, including setting the risk appetite for the Company;
- actively promoting ethical and responsible decision making through hummgroup's Code of Conduct;
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- approving and reviewing, from time to time, the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner; and
- regularly reviewing and, to the extent necessary, amending the Board Charter.

Board Committees

To facilitate the execution of its responsibilities, during the Reporting Period the Board had in place a number of Committees to oversee and report to the Board on various areas of responsibility.

Following the changes to the Board's composition at the end of the Reporting Period, the Board is reviewing its Committee structure to determine the optimal number and size of its Committees.

All Directors are entitled to receive all Committee papers, are provided with minutes of all Committee meetings, and are entitled to attend any Committee meeting. Each Committee reports to the next Board meeting.

Details of the number of meetings of the Board and of each Committee held during the Reporting Period and of each Director's attendance at those meetings are set out in the Directors' Report in the Annual Report.

Audit Committee

AUDIT COMMITTEE		
Name	Position	Duration
Carole Campbell	Chair	Whole Reporting Period
Christine Christian	Member	Whole Reporting Period

The Audit Committee's role is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities, including oversight of:

- Improving the credibility and objectivity of the accountability process, including financial reporting;
- The effectiveness of the internal and external audit functions and providing a forum for communication between the Board and the internal and external auditor;
- Ensuring the independence of the external auditor;
- Providing a structured reporting line for internal audit and monitoring the objectivity and independence of the internal auditor;
- Assuring the quality of internal and external reporting of financial and non-financial information; and
- Ensuring that whistleblower issues are actively followed up.

For the Reporting Period, the Audit Committee was chaired by an independent Non-Executive Director and was comprised of two independent Non-Executive Directors. Given the small size of the Board, it was determined that the Audit Committee would be able to discharge its obligations through the appointment of two experienced and appropriately qualified independent Directors.

Risk and Compliance Committee

RISK AND COMPLIANCE COMMITTEE		
Name	Position	Duration
Christine Christian	Chair	Whole Reporting Period
Rajeev Dhawan	Member	Whole Reporting Period
Carlos da Silva	Advisory Member	Whole Reporting Period

During the Reporting Period, the role of the Risk and Compliance Committee was to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Group's risk appetite statement, compliance, risk management strategy, risk management framework and risk management function. The Risk and Compliance Committee was chaired by an independent Non-Executive Director and comprised of two independent Non-Executive Directors and an advisory member. Given the small size of the Board, it was determined that the Risk and Compliance Committee would be able to discharge its obligations through the appointment of two experienced independent Directors, including the Chair, supported by an advisory member, who is the independent chair of the Company's New Zealand subsidiary board. The members of the Committee brought significant experience, inquiring minds, and a history of sound and prudent enterprise risk management to the Committee.

People and Remuneration Committee

PEOPLE AND REMUNERATION COMMITTEE		
Name	Position	Duration
Rajeev Dhawan	Chair	Whole Reporting Period
Carole Campbell	Member	Whole Reporting Period

For the Reporting Period, the People and Remuneration Committee assisted and advised the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior management and other persons whose activities, individually or collectively, affect the financial and reputational soundness of the Company. The policies and practices are designed to:

- enable the Company to attract, retain and motivate Directors, executives and employees who will create value for shareholders;
- be fair and appropriate, having regard to the performance of the Company and the relevant Director, executive or employee; and
- comply with relevant legal requirements.

For the Reporting Period the People and Remuneration Committee was chaired by an independent Non-Executive Director and was comprised of two independent Non-Executive Directors. Given the small size of the Board, it was determined that the People and Remuneration Committee would be able to discharge its obligations through the appointment of two experienced independent Directors.

Nomination Committee

NOMINATION COMMITTEE		
Name	Position	Duration
Christine Christian	Chair Member	Part Reporting Period Part Reporting Period
Rajeev Dhawan	Member	Whole Reporting Period
Andrew Abercrombie	Member Chair	Part Reporting Period Part Reporting Period

For the Reporting Period, the Nomination Committee was responsible for supporting the Board in determining the size and composition of the Board such that it is conducive to making appropriate decisions in the best interests of the Company. The Nomination Committee was chaired by the Chair of the Board.

The Nomination Committee met during the year to oversee the process of recruiting a new Director. Its other duties were met either by the People and Remuneration Committee or by the Board itself.

Technology Committee

TECHNOLOGY COMMITTEE		
Name	Position	Duration
Alistair Muir	Chair	Whole Reporting Period
Andrew Abercrombie	Member	Whole Reporting Period
Fran Ereira	Advisory Member	Whole Reporting Period
Chris Venter	Advisory Member	Whole Reporting Period

For the Reporting Period, the Technology Committee was responsible for supporting the Board in overseeing the end-to-end digital delivery of hummgroup's products and services. That included overseeing the digital ecosystem and customer experience; providing oversight to hummgroup's IT and data functions, including IT strategy; monitoring the development and implementation of hummgroup's capital works program; and overseeing the mitigation and management of risks associated with those activities.

Management Responsibilities

The management of the Company and its businesses and affairs is the responsibility of the CEO and the senior executives, including:

- developing business plans, budgets and strategies for the Board's consideration and, subject to the Board's approval, implementing these plans, budgets and strategies;
- operating the Company within the business parameters set by the Board and, where the proposed transactions, commitments or arrangements exceed those parameters, referring the matter to the Board for consideration and approval;
- identifying and managing operational and other risks where those risks could have a material impact on the Company's business, formulating strategies aligned to the Company's purpose, values, strategy and risk appetite for managing these risks for consideration by the Board and, subject to the Board's approval, implementing these strategies;
- managing the Company's current financial and other reporting mechanisms together with managing day-to-day operations within the budget;
- implementing the Company's internal controls and procedures for monitoring these controls and ensuring that these controls and procedures are appropriate and effective;
- providing the Board with accurate and sufficient information regarding the Company's operations on a timely basis and in particular ensuring that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- implementing all policies, processes and codes of conduct approved by the Board.

Directors' Independent Advice

Directors are empowered to seek independent professional advice if they feel it is necessary to perform their responsibilities and duties as a Director. The Company will reimburse Directors for all reasonable expenses incurred in obtaining this advice, and, where appropriate, and subject to the relevant privacy and legal privilege, a copy of the advice will be made available to the Board on request.

Recommendation 1.2 - Undertake Checks Before Appointment and Provide Shareholders with Information

The Nomination Committee manages the process for the selection and appointment of new Directors to the Board. The Nomination Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise and recommends them to the Board. The written letter of appointment for each Director outlines the Company's expectations in relation to the time commitment expected from the Director and includes the Director's confirmation that they will be able to devote sufficient time to appropriately performing their duties and responsibilities.

The Company undertakes appropriate background and screening checks prior to nominating a Director for appointment to fill a casual vacancy or being proposed for election by the shareholders.

The Company also undertakes appropriate background and screening checks prior to nominating a senior executive.

Shareholders are provided with all material information in the Company's possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of general meeting, including a statement by the Board as to the independence status of the Director, and whether it supports the election or re-election of the Director and a summary of the reasons why.

Recommendation 1.3 - Have a Written Agreement with Directors and Senior Executives

All Non-Executive Directors, including those appointed by the Board to fill a casual vacancy, are engaged by a written letter of appointment setting out the terms and conditions of their appointment.

Those Directors filling a casual vacancy are required to stand for election by the shareholders at the next Annual General Meeting following their appointment.

Any Executive Director and other senior executives enter into written agreements with the Company setting out the terms of their appointment and employment.

Recommendation 1.4 - Company Secretary is Accountable to the Board

The Company Secretary attends all scheduled meetings of the Board and is accountable to the Board through the Chair. The Company Secretary is responsible for, amongst other things:

- ensuring that the Company complies with its statutory requirements;
- helping to organise and facilitate the induction and professional development of Directors;
- monitoring compliance with Board policy and procedures;
- accurately capturing the Board and Committee business in minutes of the meetings;
- coordinating the timely distribution of papers to the Board and Committees;
- advising the Board and its Committees on governance matters;
- ensuring that the Company complies with its requirements under the *Corporations Act 2001* (Cth) ("Corporations Act") and ASX Listing Rules; and
- each director is able to communicate directly with the Company Secretary and any decisions to appoint or remove the Company Secretary are approved by the Board as a whole.

Recommendation 1.5 - Have and Disclose a Diversity Policy

The Company has a Diversity Statement which ensures that there is adequate focus on meeting our diversity agenda and recognising and valuing the contributions of people from different backgrounds and with different perspectives and experiences (which in turn benefits our business as a whole). hummgroup recognises the value of recruiting, developing and retaining employees from a diverse range of backgrounds, genders, knowledge, experience and abilities.

The hummgroup Diversity Statement is included in its Code of Conduct and is available on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>.

The Board believes that diversity - which includes, but is not limited to, gender, ethnicity, cultural background, disability, religion, sexual orientation or age - is a key business priority and aims to support the leadership team in the creation of a workplace where everyone can reach their full potential. There is a strong commitment to providing a working environment based on the principles of equal opportunity and diversity and ensuring that decisions in the workplace are based on merit and business needs.

The Board:

- reviews the Diversity Statement from time to time to ensure consistency with best practice;
- has established measurable objectives with a focus on achieving gender diversity; and
- annually assesses both the measurable objectives for achieving gender diversity and the progress made in achieving them.

Diversity and Inclusion at hummgroup

hummgroup encourages diversity and inclusion across our business in a number of ways. Our recruitment, promotion and remuneration decisions are based on performance and capabilities. We also ensure that we have clear, readily available policies underpinning our operating model and business processes, and we actively support programs within our business that support diversity and inclusiveness.

We are proud to support a diverse range of customers. It is important to us that our internal team is reflective of our customer base and that we have an inclusive work environment, which translates into our customer interactions. We believe that a strong and diverse internal workforce can provide a great experience for our customers.

humgroup is committed not only to the principles of equal opportunity employment, but also to the provision of a work environment that is free from unlawful discrimination, harassment, victimisation and bullying.

Results Against Key Metrics for 2022

Two key diversity target areas were set for the Reporting Period:

- Female representation at a Board level; and
- Female representation at an Executive Team level.

FEMALE REPRESENTATION AS AT 30 JUNE 2022	
Measure	Result
Meet or exceed the ASX guideline of 30% Female representation among the Non-Executive Directors	33%
≥ 30% female representation on the Executive team	38%

We take inclusion and diversity into account when making all appointments and promotions. We also work closely with our recruitment agency partners when recruiting for new roles to make them aware of our diversity policies, including our focus on gender diversity, and on providing part time or flexible positions.

humgroup has a focus on ensuring that there is strong and practical support to encourage gender diversity within the organisation and was once again compliant with the *Workplace Gender Equality Act 2012* during the Reporting Period.

At the end of the Reporting Period, humgroup had approximately 48% female employees.

Key Metrics for 2023

Female representation at both a Board and Executive team level will carry over as key focus areas into the next reporting period.

The key metrics are outlined below:

MEASURE	OBJECTIVE
Female representation - Board among the Non-Executive Directors	Meet or exceed the ASX guideline of 30%
Female representation on the *Executive team	30% (adopting the same metric as used for Board representation)

* Executive team comprises the CEO and senior management.

Employee Engagement and Training

Initiatives aimed at improving the level of engagement of our employees across all ages, genders and backgrounds have continued during the Reporting Period. In addition to the development initiatives which form part of our regular talent and succession planning processes across all levels of the organisation, we have placed a strong emphasis on building a strong employee community as well as encouraging contributions to our broader external community.

Learning and development are integral parts of our engagement initiatives and the Company provides all employees with a range of opportunities to improve their skills, capability and knowledge via courses created and designed by our Learning and Development team or specialised external facilitators. Categories covered include leadership training (including the Coaches as Leaders program), product and system training, as well as compliance and induction.

Recommendation 1.6 - Periodically Evaluate Board, Committee and Director Performance

The Company recognises the importance of regular reviews of its effectiveness and performance.

The People and Remuneration Committee is responsible for determining the process for evaluating the performance of the Board, its Committees and individual Directors against both measurable and qualitative indicators. During the Reporting Period, and given the significant changes in the Board and Committee composition, it was determined to not conduct the evaluation process for the Board and Committees for this Reporting Period.

Recommendation 1.7 - Annually Evaluate Senior Executive Performance

The Company has a process for periodically evaluating the performance of the CEO and other senior Executives.

The Board, in conjunction with the People and Remuneration Committee, is responsible for approving performance objectives for the CEO and other senior executives and evaluating the performance of each senior executive against these objectives. The objectives are set for each senior executive at the beginning of each financial year and reflect specific financial and non-financial metrics which are aligned to the Company's strategy and values.

The performance of each senior executive in respect of a financial year is generally measured against those metrics.

During the Reporting Period, the Board determined to change the performance objectives for the senior executive team to reflect the circumstances attached to the proposed sale of the hummgroup consumer finance business. A performance evaluation of senior executives against the new objectives was undertaken for the Reporting Period.

Remuneration is reviewed annually by the People and Remuneration Committee in line with the financial year and is dependent on each senior executive's performance against their objectives. Any increases to executive remuneration are approved by the Board and effective from 1 July, following the annual performance review.

There is further detail in the Annual Report on the performance objectives and the performance of each of the Executive Key Management Personnel ("Executive KMP"), who were, at 30 June 2022, the Group CEO and the CFO.

PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

Recommendation 2.1 - Have a Nomination Committee and Disclose its Charter

The Board has a Nomination Committee, which has adopted a Nomination Committee Charter disclosed on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>. The Committee is established in accordance with the Company's constitution and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in its charter and under any separate resolutions of the Board.

The Nomination Committee will meet as required to assist and advise the Board on:

- Director selection and appointment practices;
- Board composition;
- establishing and maintaining a diversity policy to outline the Company's commitment to diversity and inclusion in the workplace;
- developing and reviewing induction procedures for new appointees to the Board;
- succession planning for the Board and senior management; and
- ensuring the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills, and in the best interests of the Company as a whole.

The Nomination Committee met during the Reporting Period as part of the recruitment of a new Director.

Recommendation 2.2 - Have and Disclose a Board Skills Matrix

Board skills matrix benchmarking table

For the Reporting Period, the Board retained the skills matrix below.

The Board determined that the Directors collectively had the range of skills, knowledge and experience necessary to meet the Board's responsibilities and objectives and direct the Company. The Non-Executive Directors contributed operational knowledge, an understanding of the industry in which the Company operates, knowledge of financial markets, and an understanding of health, safety, sustainability and stakeholder matters that are important to the Company. The next review of the skills matrix is planned to be conducted in the financial year ending 30 June 2023.

Skills matrix

SKILL SET
Management and Leadership
International Business
Legal
Audit and Finance
Mergers and Acquisitions
Industry Experience
Risk Management
Marketing, Communications and Business Development
Technology
Listed Entity

Recommendation 2.3 - Disclose Independence of Directors

As at the date of this Corporate Governance Statement, all the Directors are Non-Executive Directors, with the Board determining that each of the Non-Executive Directors (other than Mr Abercrombie) is independent.

The Board's on-going assessment of a Non-Executive Director's independence is based on whether the Director is free of any material relationship (other than as a consequence of being a Director) that could be reasonably considered to interfere with the exercise of their independent judgement and conflict with the interests of the Company.

A "material relationship" includes a direct or indirect relationship that could reasonably be considered to influence, in a material way, a Director's decision in relation to the Company. When considering whether a relationship is "material", the Board will consider the materiality to each of the Company, the Director and the person or organisation with which the Director is related (for example, as a customer or supplier). The Board has not set quantitative materiality thresholds to be used in assessing whether a relationship is a "material relationship" and it considers all relationships on a case-by-case basis.

The Board regularly reviews the independence of each Director. The Board has determined that, other than Mr Abercrombie, all Directors are independent based on the factors outlined above. Any Director who considers that he or she has, or may have, a conflict of interest or a material personal interest in any matter concerning the Company is required to give the Directors immediate notice of the interest.

Details of each person who acted as Director during the Reporting Period, including length of service, skills, experience, relevant qualifications and expertise, are set out in the Annual Report.

Recommendation 2.4 - Have a Majority of Independent Directors

During the Reporting Period, the Board was composed of a majority of independent Non-Executive Directors.

Recommendation 2.5 - Board Chair Should be Independent

During the Reporting Period, the Company changed Chairs from Mr Abercrombie to Ms Christine Christian, who was an independent Non-Executive Director.

Mr Abercrombie held the role of Chair for the period to Ms Christian's appointment and has resumed the role following her resignation from the Board. The Board believes Mr Abercrombie's lengthy experience with, and knowledge of, the Company, including his role as a founding director, is of significant benefit to the Company, and supports his ongoing role as Chair, notwithstanding that he is not an independent director.

Recommendation 2.6 - Have a Director Induction Program, and Review Director Professional Development

Induction is provided to all new Directors, which includes formal discussions with each of the CEO, Chair, and senior executives. The induction materials include information about the Company's strategy, culture, values, key policies, the Company's financial, operational and risk management position, the Company's constitution, the rights and responsibilities of Directors, and the role of the Board and its Committees.

All Directors are expected to maintain the skills required to discharge their obligations. The Company provides professional development opportunities for Directors to develop and maintain their skills and knowledge.

PRINCIPLE 3 - INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

Recommendation 3.1 - Articulate and Disclose the Values

hummgroupp has five clearly articulated values which are embedded into its systems and policies, including the Code of Conduct. Every day, our people (our “hummbassadors”) are recognised internally by their peers and leaders and rewarded for how they have demonstrated one or more of the values.

At hummgroupp we articulate our values through “how we humm” Feel their world, Famous for delivery, Focus on impact, Feed your mind, and #FTB.

Recommendation 3.2 - Have and Disclose a Code of Conduct

Code of Conduct

The Company has a formal Code of Conduct to which all Directors, Officers, Executives and employees of the Company and its subsidiaries are required to adhere, together with a comprehensive range of corporate policies (which are reviewed periodically) which details the framework for acceptable corporate behaviour. The Code of Conduct also applies to hummgroupp’s contractors, consultants and associates. Together, the Code of Conduct and supporting policies set out the expectations in relation to a range of areas, including share trading, employment practices and regulatory compliance.

The Code of Conduct outlines the rules of behaviour hummgroupp has established for employees and is recognised as one of the Company’s most important documents because how things are done is just as important as what is done.

hummgroupp’s Code of Conduct includes the behaviours that hummgroupp considers to be non-negotiable, which come back to two simple concepts:

- *We’re respectful - yes, we’re all different, but that’s what makes us stronger. We want people to think and look and act differently. We want people to fight the bureaucracy, but we always do that respectfully - whether it’s in our conversations or emails, our personal presentation, or our behaviour;*
- *We behave ethically - but we don’t do it because we have to, we do it because we want to. We act in line with community standards and expectations - whether that’s towards our customers (our buyers and our sellers) or our colleagues.*

A copy of the Code of Conduct, which also contains the hummgroupp Diversity Statement, is available on the Company’s website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>.

Any material breaches of the Code of Conduct are considered serious and will be reported to the Board following an appropriate investigation.

Recommendation 3.3 - Have and Disclose a Whistleblower Policy

hummgroupp believes in and is committed to having a corporate culture where ethical behaviour is promoted and recognised, and employees and contractors are encouraged to report unethical, unlawful or undesirable conduct without fear of disadvantage, intimidation, reprisals or retaliatory action. This applies even if the report is subsequently determined to be incorrect or is not substantiated (as long as the report is made honestly).

At hummgroupp, we want to provide our people with a safe environment where we all feel comfortable about raising concerns about actual, suspected or anticipated wrongdoing within hummgroupp, and therefore, we have in place a Whistleblower Protection Policy, which can be found on the Company’s website: <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

The Board receives updates on any material matters reported under the policy.

Recommendation 3.4 - Have and Disclose an Anti-bribery and Corruption Policy

hummgroupp recognises the importance of having oversight of risks associated with conflicts of interest and, at the extreme, issues associated with bribery and corruption, as each may be indicative of issues associated with the Company’s culture. The Board will continue to have oversight of this area directly or through one of its Committees and will receive reports of any material incidents of bribery or corruption, and consequent actions taken.

A copy of the Company’s Anti-Bribery and Corruption Policy is available on the Company’s website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

Policy on Trading in Company's Securities

Director and employee share trading is subject to the Company's Securities Trading Policy, which restricts the times when a Director or employee can purchase or sell Company securities. Directors and employees (and their immediate family members and closely connected persons and entities) are only permitted to acquire and sell the Company's shares when they are not in possession of price sensitive information that is not generally available to the market.

During the Reporting Period, the Securities Trading Policy was reviewed and updated to introduce trading windows and new pre-trade notification obligations. The policy retains the prohibition on employees, who include KMP, from dealing in hummgroup shares from the close of market trading of the half year-end and full year-end periods until midday of the day after the Company's results announcement is released to the market following its lodgement with ASX (unless certain exceptional circumstances exist and appropriate approval has been received).

A copy of the Company's Securities Trading Policy is available on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>.

PRINCIPLE 4 - SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 - Have an Audit Committee and Disclose its Charter

Audit Committee

During the Reporting Period, the Audit Committee was comprised of two independent Non-Executive Directors and was chaired by an independent Non-Executive Director, who was not the Chair of the Board. Given the small size of the Board, it was determined that the Audit Committee would be able to discharge its obligations through the appointment of two experienced and appropriately qualified independent Directors.

The qualifications and experience of the members of the Audit Committee are set out in the Annual Report along with the number of times the Audit Committee met throughout the Reporting Period and the attendance of its members. The Audit Committee Charter is disclosed on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>.

The Audit Committee provides advice and assistance to the Board in fulfilling the Board's responsibilities relating to the Group's financial risk management and compliance systems and practices, financial statements, financial and market reporting processes, internal accounting and control systems, external audit and such other matters as the Board may request from time to time. In addition, the Committee is responsible for assessing significant estimates and the judgments made during the Reporting Period to ensure the integrity of the Company's external financial reporting and financial statements, as well as ensuring whistleblower issues are actively followed up.

The Audit Committee's processes are designed to establish a proactive framework and dialogue in which the Committee, management and external auditors review and assess the quality of earnings, liquidity and the strength of the income statements and balance sheets, and transparency and accuracy of reporting. In fulfilling its responsibilities, the Audit Committee reviews the processes the CEO and CFO have in place to support their declarations to the Board.

Recommendation 4.2 - Board to Receive a Declaration from the CEO and CFO in Advance of Approving the Financial Statements

Declarations

In accordance with section 295A of the Corporations Act, for the Reporting Period, the executives primarily and directly responsible to the Directors for the general and overall management of the Company have declared to the Board that:

- the financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act;
- the financial statements and the notes to the financial statements comply with the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- the financial statements and the notes to the financial statements give a true and fair view of the financial position and performance of the Company and consolidated entity.

In addition, the CEO and CFO have stated to the Board in writing that:

- the Company's financial report is founded on sound systems of risk management and internal compliance and control which implement the policies adopted by the Board; and

- the Company's risk management and internal compliance and control system is operating effectively in all material respects.

The Company has the following guiding principles to ensure the independence of the external auditor:

1. the Audit Committee will review and assess the independence of the external auditor, including but not limited to any relationships with the Company or any other entity that may impair the external auditor's judgement or independence in respect of the Company;
2. the Audit Committee will request an annual confirmation of independence from the external auditor, and will track during each year the amount of non-audit work being undertaken by the external auditor;
3. the amount of non-audit work performed by the external auditor will be minimised, with approval from the Audit Committee (or the Committee Chair in certain specific circumstances) being required before any work is undertaken by the external auditor; and
4. the Audit Committee will require the rotation of the audit signing partner and the independent review partner every five years. The Company's external auditor, Ernst and Young (EY) has provided the Audit Committee with a confirmation of its independence for the Reporting Period. The Board has determined that it is satisfied as to the independence of the external auditor in relation to the Reporting Period and the audit of the Financial Report for the Reporting Period.

Recommendation 4.3 - Disclose the Process to Verify Unaudited Periodic Reporting

All periodic corporate reports for hummgroup that are not otherwise subject to audit or review by an external auditor are reviewed in accordance with an internal verification procedure to ensure the integrity and accuracy of the information included in those reports. This verification procedure involves a systematic checking and signing off procedure. Where possible, each statement or number is linked back to an independent external or internal source document.

PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 - Have and Disclose a Continuous Disclosure Policy

The Board recognises the importance of keeping the market fully informed of the Company's activities and of communicating openly and clearly with all stakeholders.

The Company has a Disclosure and Communication Policy to ensure compliance with the continuous disclosure requirements in the ASX Listing Rules and the Corporations Act. Specifically, the Disclosure and Communication Policy outlines the corporate governance measures adopted by the Company to further its commitments and provides detailed information regarding hummgroup's:

- Continuous disclosure obligations;
- Disclosure roles, responsibilities and internal procedures;
- Disclosure matters generally;
- Market communications; and
- Shareholder communications.

The Company has established a Disclosure Committee which manages the Company's compliance with its disclosure obligations and the Disclosure and Communication Policy. The Disclosure Committee is made up of the Company Secretary, CEO and CFO. The Company's Disclosure and Communication Policy is available on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

Information considered to require disclosure is announced immediately through the ASX. Key presentations given by Company personnel to investors and institutions are also lodged first with the ASX. Following the lodgement of an announcement with ASX, key communications are placed on the Company's website. General and historical information about the Company and its operations is also available on the Company's website.

Recommendation 5.2 - Promptly Provide the Board with all Material Market Announcements

The Directors of the Board are subscribed to a service which alerts them to the publication of all of the Company's market announcements, including material announcements. In addition, the Board receives notice of all market announcements at the next Board meeting following the announcement.

Recommendation 5.3 - Release a Copy of Investor or Analyst Presentations to the Market

hummgroupp believes in keeping its security holders appropriately and equally informed and has a process in place to first submit to the ASX Market Announcements Platform any new and substantive investor or analyst presentations before they are given to the investors or analysts.

In addition, a webcast from management is arranged for the full year and half year results announcements, at which the CEO will give a presentation, which has first been submitted to the ASX Market Announcements Platform and provide investors and analysts with the opportunity to submit questions on that presentation.

PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 - Provide Company and Governance Information on the Website

It is the Board's aim that the Company maintains effective communications with its shareholders and keeps them fully informed of significant developments and activities of the Company, as well as provides them with the facilities to allow them to effectively exercise their rights as security holders.

This commitment is achieved by:

- complying with the ASX Listing Rules and the Corporations Act continuous disclosure and reporting requirements;
- distribution of the Annual Report to shareholders who notify the Company that they do wish to receive it, as well as publishing Annual Reports and financial statements on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=annual-reports>;
- holding an accessible and informative AGM. The Board requires the external auditor to attend the AGM and be available to answer shareholder questions relating to the audit of the Company's financial statements, the preparation and content of the auditor's report, the accounting policies adopted by the Company, and auditor independence;
- regularly updating the Company's website (<https://investors.humm-group.com/investor-centre>) to include annual and interim reports, market announcements and presentations as well as financial and shareholder information to ensure transparency and a high level of communication of the Company's operations and financial situation, to the extent that this information is not commercially sensitive or confidential; and
- responding to questions and comments at the AGM submitted by shareholders to the Company at, and in advance of, the AGM.

hummgroupp encourages direct contact from shareholders. Contact details of our Investor Relations team are provided in all ASX announcements. Contact details, including phone number, website and email of the Company's share registry, Link Market Services, are provided on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=my-shareholding>.

Recommendation 6.2 - Have an Investor Relations Program to Facilitate Two-way Communication with Investors

hummgroupp is committed to providing its shareholders with the appropriate information and facilities to allow them to exercise their rights as shareholders effectively. hummgroupp's Disclosure and Communication Policy, available on its investor website, provides the framework for how the Company meets its commitment to deliver timely disclosures and clear communications, underpinned by strong governance to promote investor confidence.

In addition, the Company has in place resources to support its investor relations program, which consists of a number of regular communications channels for all current and prospective shareholders, in addition to ad hoc engagements with institutional investors and investment analysts. Channels are in place to ensure retail investors are also able to engage with the Company through the investor relations team.

Recommendation 6.3 - Disclose How Security Holder Participation at Meetings is Encouraged

Allowing the opportunity for security holders to engage with the Company and Board at general meetings is a key element of the agenda for each meeting, with the Company providing security holders with the opportunity to submit questions in advance of, or at, the meeting, to be addressed at the meeting.

hummgroupp has rotated the location of its general meeting between Sydney and Melbourne over recent years, except for 2021, where the Annual General Meeting was held virtually in response to the COVID-19 global pandemic and government restrictions and continues to investigate other ways of conducting its meetings to facilitate interaction with its security holders.

Recommendation 6.4 - Substantive Security Holder Resolutions to be Determined by Poll

hummgroupp conducts, and will continue to conduct, its security holder resolutions by poll.

Recommendation 6.5 - Provide Option to Security Holders to Receive Electronic Communications

hummgroupp supports and encourages its security holders to receive communications from hummgroupp and its registry by electronic means. Security holders are also encouraged to use electronic means to contact the Company and our investor relations team.

PRINCIPLE 7 - RECOGNISE AND MANAGE RISK

Risk Management

The Board recognises that risk management and internal controls are fundamental to sound management and that oversight of such matters is a key responsibility of the Board. The Company has a risk management policy framework and governance structure designed to ensure that the risks of conducting business are properly managed. Management is responsible to the Board for identifying, managing, reporting upon and implementing measures to address risk.

Recommendation 7.1 - Have a Risk Committee and Disclose its Charter

The Board oversees and reviews the effectiveness of risk management at all levels across the Company and, during the Reporting Period, was assisted and advised in this role by the Risk and Compliance Committee.

Risk and Compliance Committee

For the Reporting Period, the Risk and Compliance Committee was chaired by an independent Non- Executive Director, and comprised two independent Non-Executive Directors, and an advisory member. Given the small size of the Board, it was determined that the Risk and Compliance Committee would be able to discharge its obligations through the appointment of two experienced independent Directors supported by an advisory member, being the independent chair of the Company's New Zealand subsidiary board. The members of the Committee brought significant experience, inquiring minds, and a history of sound and prudent enterprise risk management.

The qualifications and experience of the Directors on the Risk and Compliance Committee are set out in the Annual Report along with the number of times the Risk and Compliance Committee met throughout the Reporting Period and the attendance rates of its members. The Risk and Compliance Committee Charter, which sets out the role and responsibilities of the Committee, is disclosed on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

While ultimate responsibility for risk oversight and risk management rests with the Board, the Risk and Compliance Committee provides advice and assistance to the Board to fulfil its corporate governance and oversight responsibilities in relation to how risk is identified, assessed and managed across the Group, including in accordance with the Board approved Risk Appetite Statement. In addition, the Committee was responsible for assessing significant risks and compliance with internal and external requirements during the Reporting Period.

The Company has identified key financial and non-financial risks within the business, as outlined in the Risk Appetite Statement. In the ordinary course of business, management monitors and manages these risks, providing regular reporting on key metrics, including the Company's risk appetite. Performance in each risk class is presented to and reviewed by the Committee, with clear escalation procedures in place where the Company's risk profile sits outside appetite.

Recommendation 7.2 - Annually Review the Risk Management Framework

The Board delegates the review of the Company's risk management framework to the Risk and Compliance Committee. The Committee structures its meetings to ensure all elements of the Group risk management framework and risk management operations are considered and addressed over the course of the year. This includes identifying where material risks sit across the organisation, where investment has been made in improving risk management capability and processes, and where further enhancements can be made.

Enhancements to the reporting on the different risk classes continue to be undertaken.

Recommendation 7.3 - Make Disclosures Regarding the Internal Audit Function

hummgroupp engages Grant Thornton, an independent external provider, to provide the formal internal audit function. The internal auditor reports to the Audit Committee, which is also responsible for assessing the internal auditor's performance.

An annual plan of review and advisory activity to be conducted by the internal auditor is developed with management and approved by the Audit Committee, with regular reporting provided to the Committee. In camera sessions with the Audit Committee and internal auditor, excluding management, are conducted at least annually.

Recommendation 7.4 - Disclose if the Company has any Material Environmental or Social Risks, and their Mitigants

hummgroupp is dedicated to effectively managing all material risks faced by the Company, including its exposure to economic, environmental, climate change, or social sustainability risks.

PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY

During the Reporting Period, the Board had a People and Remuneration Committee, whose Charter is available on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>

Recommendation 8.1 - Have a Remuneration Committee and Disclose its Charter

The Company's People and Remuneration Committee was comprised of two members, with both members being independent Non-Executive Directors. Taking into account the size of the Board, the Board determined that the members had the appropriate expertise in remuneration related matters to act effectively as the Committee.

Details of the number of meetings of the People and Remuneration Committee held during the Reporting Period and of each member's attendance at those meetings are set out in the Annual Report.

The People and Remuneration Committee has responsibility for the performance appraisal process and remuneration policies for the Company's management, with a process in place for Director remuneration to be reviewed from time-to-time.

The CEO's performance evaluation of key executives is periodically reviewed by the People and Remuneration Committee. The CEO's performance evaluation is undertaken by the Board.

The People and Remuneration Committee assisted and advised the Board on remuneration policies and practices for the Board, the CEO, senior management and other persons whose activities, individually or collectively, affect the financial soundness of the Company.

The People and Remuneration Committee's responsibilities include developing, reviewing and making recommendations to the Board on:

- the ongoing appropriateness and relevance of the remuneration framework for the Chair and the Non-Executive Directors (including the process by which any shareholder approved pool of Directors' fees is allocated to Directors);
- the Company's policy on remuneration for the CEO and senior management, any changes to the policy and the implementation of the policy (including any shareholder approvals required);
- the total remuneration packages for the CEO and senior management (including base pay, incentive payments, equity-based awards, superannuation and other retirement rights, employment contracts), any changes to remuneration packages and recommending proposed award after performance evaluation procedures;
- the Company's recruitment, retention and termination policies for the CEO and senior management and any changes to those policies;

- incentive schemes, if appropriate, for the CEO and senior management to encourage them to pursue the growth and success of the entity without rewarding conduct that is contrary to the entity's values or risk appetite;
- equity based plans, if appropriate, for the CEO, senior management and other employees;
- superannuation arrangements for Directors and management;
- monitoring and providing input to the Board regarding:
- legislative, regulatory or market developments likely to have a significant impact on the Company and legislative compliance in employment issues;
- the remuneration trends across the Company; and
- major changes to employee benefits structures in the Company.

Recommendation 8.2 - Disclose Policies and Practices for Non-Executive Directors, Executive Directors, and for Executive Management

Remuneration Report

In accordance with section 300A of the Corporations Act, disclosures in relation to Director and executive remuneration are included in a separate component of the Directors' Report in the Annual Report, entitled Remuneration Report. The Remuneration Report contains details of the Company's remuneration philosophy and structure, including fixed and variable remuneration.

Board Remuneration

Remuneration of the Non-Executive Directors is fixed and designed to ensure that Board membership of an appropriate mix and calibre is maintained and aligned with remuneration trends in the marketplace. Remuneration levels and trends are reviewed with the assistance of independent external remuneration consultants when appropriate.

CEO and Executive Remuneration

The underlying principles of risk and reward for performance are set out in the Remuneration Report. These principles recognise the different levels of contribution of management to the short-term and long-term success of the Company. A key element is the principle of reward for performance that is dependent upon both personal and Company performance. Every employee undergoes a formal performance appraisal each financial year, which is used, in part, to determine that employee's remuneration in the financial year ahead.

The CEO's performance is continuously monitored and annually assessed. The assessment is used to determine, in part, the level of "at risk" remuneration paid to the CEO.

Recommendation 8.3 - Have and Disclose a Policy on Limiting Economic Risk of Participating in Equity Based Remuneration Programs

As set out above, the Company offers equity-based plans, if appropriate, for the CEO, senior management and other employees. The Company's Securities Trading Policy prohibits participants in equity-based plans from entering into transactions which limit the economic risk of participating in the equity-based plan whilst the relevant interests granted pursuant to an equity-based plan remain unvested. The Company's Securities Trading Policy is disclosed on the Company's website at <https://investors.humm-group.com/Investor-Centre/?page=corporate-governance>