Corporate Governance Statement 2024

EBOS GROUP LIMITED

CORPORATE GOVERNANCE

The Board regularly reviews and assesses the governance structures that apply to EBOS Group Limited (the Company) and its subsidiaries (together, the Group) to ensure they are consistent, both in form and in substance, with best practice.

This Corporate Governance Statement is made by reference to:

- the NZX Corporate Governance Code dated 1 April 2023 (NZX Code); and
- the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations dated February 2019 (ASX Principles).

The Board considers that the Company is substantially in compliance with the NZX Code and the ASX Principles. Where the Company does not meet the NZX Code or the ASX Principles this is outlined below. As required under the NZX Listing Rules, where the Company does not meet the NZX Code, this is also set out in the 2024 Annual Report.

For ease of reference a table summarising the Company's compliance with the NZX Code and a copy of the Company's ASX Appendix 4G summarising the Company's compliance with the ASX Principles can be found at: **https://www.ebosgroup.com/who-we-are/corporategovernance.**

Further information on the corporate governance policies and practices of the Company can be found in the Company's Corporate Governance Code ('Corporate Governance Code'), the full content of which can be found on the Company's website at **https://www.ebosgroup.com/who-we-are/corporategovernance**. The Corporate Governance Code includes the charters of the Board and its committees and the policies referred to in this Corporate Governance Statement.

This Corporate Governance Statement was approved by the Board of EBOS Group Limited and is current as at 20 August 2024.

Principle 1 – Ethical Standards

The Company has a Code of Ethics which is a framework of standards by which the directors, employees and contractors of the Company and its related companies (EBOS people) are expected to conduct their professional lives. It covers expectations in relation to the conduct of EBOS people, particularly in relation to acting honestly, with integrity, in the best interests of the Group, its shareholders and stakeholders and in accordance with law.

The Code of Ethics sets out the Group's values. EBOS people are expected to undertake their duties in accordance with the Group's values, being:

- customer driven;
- brave and innovative;
- working together;
- taking care of each other;
- striving for excellence; and
- doing what is right.

The Code of Ethics is regularly reviewed by the Board, typically every two years. The Code of Ethics was last reviewed by the Board in May 2024.

As part of the Group's Integrity Training program, new employees in Australia and New Zealand receive training in relation to the Code of Ethics and current employees in Australia and New Zealand receive refresher training every two years.

The Code also addresses anti-bribery and corruption and whistleblower protection matters. In support of this, the Company has an Anti-Bribery and Corruption Policy and a Whistleblower Protection Policy.

Each of the Code of Ethics, Anti-Bribery and Corruption Policy and Whistleblower Protection Policy provide that material breaches/matters are to be reported to the Audit and Risk Committee.

The Code of Ethics is set out as Appendix A to the Corporate Governance Code. The Whistleblower Protection Policy and the Anti-Bribery and Corruption Policy are set out as Appendices H and I to the Corporate Governance Code.

Share Trading By Directors And Officers

The Code of Ethics also refers to securities trading by directors and employees and the Company has a separate policy in place that directors and employees must follow when trading the Company's shares. The Securities Trading Policy is set out as Appendix D to the Corporate Governance Code.

Principle 2 – Board Composition and Performance

The Board is responsible for the supervision of the business and affairs of the Company and the monitoring of the performance of the Company on behalf of shareholders. The Board also places emphasis on regulatory compliance.

The Board is responsible for directing the Company and enhancing its value for shareholders. It has adopted a formal Corporate Governance Code that details the Board's role, responsibilities, membership and operation. This includes the approval, oversight and monitoring of the Company's sustainability framework and strategy, such as the Company's environmental, social and governance (ESG) program and the Company's response to, and management of, climate related risks and opportunities.

Responsibility for the day-to-day management of the Company has been delegated to the Chief Executive Officer (CEO) and his management team.

A key responsibility of the Board is its oversight of senior management and, in this regard, all Company executives are subject to annual performance reviews. In addition, the Board monitors the performance of the CEO against the Board's requirements and expectations. In the financial year ended 30 June 2024 (FY24), a review of each member of the Company's senior management was completed and this was discussed with the executive concerned as part of the annual review process for that executive.

Structure Of The Board

The Board is structured to bring to its deliberations a range of experience relevant to the Company's operations. The Board has a skills matrix which was revised in October 2023 and an assessment of each current director having regard to the skills matrix is set out in Table 1 below:

Table 1: Board Skills Matrix

Core skills	Elizabeth Coutts	Tracey Batten	Mark Bloom	Stuart McLauchlan	Julie Tay	Peter Williams
Governance • Board experience (NZX50 or equivalent other than EBOS) or experience as an adviser to Boards for at least 5 years • experience in setting and implementing corporate governance standards and commitment to the highest standards of governance	•	•	•	•	•	•
Finance and accounting • senior executive or Board experience in financial accounting, taxation, external and/or internal audit and reporting	•		•	•		
Risk management • developing and overseeing an appropriate risk framework and culture • experience evaluating and managing financial and non-financial risks	•	•	•	•	•	•

Core skills	Elizabeth Coutts	Tracey Batten	Mark Bloom	Stuart McLauchlan	Julie Tay	Peter Williams
Capital markets and M&A • experience with equity and debt markets and mergers & acquisitions	•	•	•	•	•	•
Health and safety • experience in, and strong understanding of, health, safety and wellbeing obligations and practices	•	•	•	•	•	
Regulatory knowledge and experience • experience in, or understanding of, the regulatory environment in which the Group operates	•	•	•	•	•	•
Human resources • an ability to assess senior management • experience in, or familiarity with, best practice in relation to human resources	•	•	•	•	•	•
Growth • a track record of developing and implementing a successful strategy	•	•	•	•	•	•
Strategy • ability to think strategically and assess strategic options and business plans/ budgets • understanding of potential disruptive models that could impact the Group or its customers	•	•	•	•	•	•
Operations and supply chain excellence • experience in leading or advising on organisational change/ operational and supply chain businesses	•	•		•	•	•

Core skills	Elizabeth Coutts	Tracey Batten	Mark Bloom	Stuart McLauchlan	Julie Tay	Peter Williams
Healthcare • experience in the Healthcare sector	•	•	•	•	•	•
Customer insight/ retail and brand • experience, or understanding of, retail brands and marketing	•				•	•
International experience • experience in international markets	•	•	•	•	•	•
Government relationships • experience in developing relationships with key Government stakeholders and regulators	•	•	•	•	•	•
Investor relationships • experience in developing and maintaining constructive relationships with shareholders/ investors	•		•	•		•
Sustainability/ Climate • experience in developing or overseeing environmental and social responsibility agendas and programs • experience in developing or overseeing programs in relation to climate risk	•	•	•	•		

The Board is elected by the shareholders of the Company. Under the Company's constitution, directors are required to retire and seek re-election in accordance with the NZX Listing Rules.

The Board currently comprises six directors. All of the directors are non-executive directors and all of the directors as at 30 June 2024, including the Chair, were determined to be Independent.[1]

A statement as to which of the Company's directors were considered to be Independent as at 30 June 2024 and the factors relevant to that determination is set out in the 2024 Annual Report.

As set out in the Corporate Governance Code, the Chair and CEO are and should be different people.

As a New Zealand listed entity, the Company does not have a company secretary. The General Counsel provides company secretarial services. The General Counsel is accountable to the Board through the Chair.

The Company's Corporate Governance Code provides for directors of the Company to obtain independent professional advice at the expense of the Company subject to obtaining the prior approval of the Audit and Risk Committee.

Procedure For Nomination And Appointment To The Board

The Company's policy in relation to the nomination and appointment of directors is set out in its Corporate Governance Code. The Company's policy is to undertake appropriate checks before putting forward a person to shareholders for election or appointing a person to fulfil a casual vacancy. Where the Company determines that a person is an appropriate candidate, shareholders are notified of that and are provided with all material information in the Company's possession that is relevant to their decision on whether or not to elect or re-elect a director through a number of channels, including through the Notice of Meeting and other information contained in the Annual Report and on the Company's website.

Agreements With Directors And Senior Management

Upon appointment, each director (and senior executive) receives a letter of appointment that sets out the formal terms of their appointment, along with the Group's deed of indemnity.

Information About The Directors

Further information about the directors (including qualifications, expertise, experience and length of service on the Board), their independence and ownership interests in the Company can be found in the 2024 Annual Report at pages 24, 25, 92 and 108.

A table at page 108 of the 2024 Annual Report shows each director's attendance at the Board and relevant committee meetings during FY24.

Diversity

The Group has a Diversity & Inclusion Policy which was updated in June 2023 and is set out as Appendix F of the Corporate Governance Code. Under the policy, the Board is responsible for setting measurable objectives for achieving diversity.
The objectives that applied in FY24 were approved by the Board in June 2023 as set out below.

- Maintain gender diversity in relation to the composition of the Board, with not less than 30% of directors being female and not less than 30% of directors being male.
- Aim to increase the proportion of women in executive and senior leadership roles by identifying internal talent through robust succession planning, developing female leaders and acquiring external talent through fair and objective recruitment practices.
- Assess and analyse the gender pay gap of the Group annually and report it to the Board and Australian Workplace Gender Equity Agency.
- Continue to promote family friendly and flexible work place practices including but not limited to a commitment to supporting those on parental leave, supporting flexible return to work arrangements and ongoing flexible work arrangements that suit both the organisation and the individual.
- Continue to commit to the EBOS Reconciliation Action Plan (RAP) in Australia and improving cultural awareness across both Australia and NZ.
- Educate our leaders through training to ensure they are equipped, and can role model, the principles outlined in our key workplace policies.

The Board's evaluation of the Company's performance with respect to the Diversity & Inclusion Policy is set out in the 2024 Annual Report.

A quantitative breakdown of the Group's gender representation is also provided in the 2024 Annual Report.

Training

Directors attend formal induction sessions where they are briefed on the Company's values, strategy, businesses, financial performance, and governance and risk management frameworks.

Directors are provided with presentations, briefings and, where necessary, training, on matters which may materially affect the business or prospects of the Company and to assist the directors in fulfilling their role and discharging their duties.

Directors are encouraged to undertake further, continuing education and training relevant to the discharge of their obligations as directors of the Company. Subject to approval of the Chair, the reasonable cost of continuing education and training is met by the company.

Evaluating The Board's Performance

The Corporate Governance Code sets out a process for evaluating the performance of the Board, its committees and individual directors. This process occurred during the year and was led by the Chair.

[1] Independent means that the director is considered to be an Independent Director as defined under the NZX Listing Rules and independent having regard to the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations.

Principle 3 – Board Committees

The Board currently has two standing committees: the Audit and Risk Committee and the Remuneration Committee. The Board considers that the current arrangement regarding Board committees is appropriate. Specific responsibilities have been delegated to the Audit and Risk Committee and the Remuneration Committee and each committee has a charter setting out the committee's objectives, procedures, composition and responsibilities. Copies of these charters are available on the Company's website and form part of the Corporate Governance Code.

Under the Corporate Governance Code, the Board may constitute an ad hoc committee to deal with a particular issue facing it which requires specialist knowledge and experience.

The Board has determined, having regard to the current composition of the Board, that a nomination committee is not currently required. The Board undertakes the functions that were previously delegated to a nomination committee.

Further information about the relevant qualifications and experience of the members of the committees is set out on pages 24 and 25 of the 2024 Annual Report.

Audit and Risk Committee

The Audit and Risk Committee provides the Board with assistance in fulfilling its responsibilities to shareholders, the investment community and others for overseeing the Company's financial statements, financial reporting processes, internal accounting systems, financial controls, annual external financial audit and the Company's relationship with its external auditor. In addition, the Audit and Risk Committee is responsible for the establishment of policies and procedures relating to risk oversight, identification, management and control and the Company's internal audit program.

The current members of the Audit and Risk Committee are Stuart McLauchlan (Chair), Elizabeth Coutts and Mark Bloom. Sarah Ottrey was a member of the Committee prior to her retirement in October 2023. Accordingly, all of the members of the committee (including the Chair of the committee) are Independent.

The Audit and Risk Committee Charter, which was revised in October 2023, outlines the Committee's authority, duties, responsibilities and relationship with the Board and is set out as Appendix B to the Corporate Governance Code. Information on the procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, is set out in section 10 of the Corporate Governance Code.

There were three Audit and Risk Committee meetings held during the year which were attended by all then-current members of the committee.

Employees only attend meetings of the Committee at the invitation of the Committee.

Remuneration Committee

The Remuneration Committee provides the Board with assistance in establishing relevant remuneration policies and practices for directors, executives and employees including ensuring appropriate background checks are undertaken.

The members of the Remuneration Committee are Elizabeth Coutts (Chair), Stuart McLauchlan and Tracey Batten. Accordingly, all of the members of the committee (including the Chair of the committee) are Independent.

The Remuneration Committee's Charter which outlines the Committee's authority, duties, responsibility and relationship with the Board is set out as Appendix C to the Corporate Governance Code.

There were three Remuneration Committee meetings held during the year which were attended by all members of the committee.

The CEO has a standing invitation to attend the Remuneration Committee however, it is open to the Committee to meet without the CEO or any other management being present.

Takeover Offer Protocol

The Board has established a takeover response protocol to be followed in the event that there is a takeover offer received. The protocol provides for consideration of establishing an independent takeover committee and that the Board should disclose the scope of independent advisory reports to shareholders.

Principle 4: Reporting and Disclosure

Continuous Disclosure Policy

The Company has a Continuous Disclosure Policy that is designed to ensure compliance with the NZX Listing Rule and ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance. Amongst other things, the policy provides that a new and substantive investor or analyst presentation should be released on the NZX and ASX platforms ahead of the presentation being given. In addition, it is the practice of management to circulate material announcements to the Board prior to their release. The General Counsel is responsible for the Company's compliance with statutory and NZX and ASX continuous disclosure requirements and the Board is advised of, and considers, continuous disclosure matters at each Board meeting.

The Company's Continuous Disclosure Policy is set out as Appendix E to the Corporate Governance Code.

Financial Reporting

The Board is ultimately responsible for the annual and half-year accounts and is supported by the Audit & Risk Committee in this regard. The Board is committed to ensuring that financial reporting is balanced, clear and objective. In addition to presenting the accounts for a financial year in accordance with relevant accounting standards and legislative requirements, the annual report provides commentary on strategic progress, performance during the year and progress towards our strategic objectives.

In respect of the Company's annual and half-year accounts released publicly, the Board has received assurances from the Chief Executive Officer and the Chief Financial Officer that, in their opinion, the financial records of the Company and the consolidated group have been properly maintained; the financial statements and notes required by accounting standards for external reporting give a true and fair view of the financial position and performance of the Company and the consolidated group and comply with the accounting standards and any further legislative requirements. The Chief Executive Officer and the Chief Financial Officer have also assured the Company that these representations are based on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Non-Financial Reporting

EBOS provides non-financial disclosure at least annually, including in relation to, environmental, social sustainability and governance factors and practices in the following ways:

- this Corporate Governance Statement;
- the annual report;
- the Group's Sustainability Report, which is released at the same time as this Corporate Governance Statement and the annual report; and
- the Company's climate related disclosures (with the Company's first climate related disclosures to be released in October 2024).

As set out in the Group's Corporate Governance Code, the Board approves, oversees and monitors the Company's sustainability framework and strategy, including the Company's environmental, social and governance (ESG) program, approves the Company's sustainability reporting and approves the Company's response to, and management of, climate related risks and opportunities (including the Company's annual climate related disclosures). The Board receives updates on the Group's ESG Program and broader ESG developments at each regular Board meeting. The Board also considers health and safety matters at each regular Board meeting, as more fully described in 'Health and Safety Risk Management' below).

For periodic corporate reports released to the market which are not audited or reviewed by the Company's external auditor, such as the Company's Sustainability Report, it is the practice of management for executives responsible for various ESG projects or strategies to prepare the content of that report with the assistance of external consultants where required. The Company has an ESG Steering Committee comprised of senior executives that are responsible for, amongst other things, implementing the Group's ESG Program. The ESG Steering Committee reviews the Sustainability Report and material statements or data are reviewed for accuracy by senior members of management that are not on the ESG Steering Committee.

Principle 5: Remuneration

Director And CEO Remuneration

The remuneration of directors and the CEO for FY24 is set out in the 'Remuneration' section of the 2024 Annual Report.

Should shareholder approval of director remuneration be required, the Company is committed to recommending the director remuneration in a transparent manner.

Remuneration Policy

It is recognised that in order to drive sustainable business performance and to execute the Group's strategic plan, the Group must attract and retain people of a high calibre. The Company has a Remuneration Policy in respect of directors, the CEO and certain senior management. The policy is set out as Appendix G to the Corporate Governance Code.

In relation to the Group's senior executives, they are appointed by the CEO and their key performance indicators contain specific financial and other objectives. These KPIs are reviewed annually by the CEO and noted by the Remuneration Committee. The performance of the Group's senior executives against these objectives is evaluated annually.

The Remuneration Policy does not outline the relative weightings of remuneration components and relevant performance criteria however it is the policy of the Group to disclose the remuneration mix of the CEO and Executive Leadership Team each year.

The weightings of executive remuneration components is as determined by the Committee each year having regard to market practice, the responsibilities of the CEO and the Executive Leadership Team, the performance of EBOS Group and any strategic projects of EBOS Group from time to time. Set out in Table 2 below is the components of fixed and variable components of the CEO and Executive Leadership Team in FY24.

The relevant performance criteria for fixed remuneration, short term incentives and long term incentives is set out in the 'Remuneration' section of the annual report.

LTI plans

The Company operates long term incentive plans for senior executives. Under the rules for the plans and the Securities Trading Policy, a participating executive must not enter into hedging arrangements or other arrangements affecting the participant's economic exposure in respect of unvested entitlements.

Table 2: Remuneration Components

	Fixed	Variable	
	TFR	STI	LTI
CEO at Target	31%	33%	36%
CEO at Stretch	23%	36%	41%
Executive Leadership Team at Target	46%	28%	26%
Executive Leadership Team at Stretch	36%	33%	31%

Principle 6 – Risk Management

Risk management is an integral part of the Group's business. The Group has an enterprise risk management framework, designed to promote a culture which ensures a proactive and consistent approach to identifying and mitigating risk on a Group-wide basis.

The Group defines risk management as the identification, assessment and treatment of risks that have the potential to materially impact the Group's operations, people, and reputation, the environment and communities in which the Group works, and the financial prospects of the Group.

Our approach to risk management provides clarity on roles and responsibilities to minimise the impact of material risks on our business and is tailored to the Group's business and aligned to the Group's short-term and long-term objectives.

Under this approach, the Board approves the strategic risk profile and risk appetite statements (which describe the level of risk the Group is willing to take in relation to specific risk categories) for the Group. The Board reviews the strategic risk profile at least annually.

The Audit and Risk Committee assists the Board in discharging its responsibility to exercise due care, diligence and skill in relation to identifying and monitoring material business risks by monitoring the strategic risk profile and implementation of the risk appetite levels that were set by the Board. The monitoring of the strategic risk profile is part of a standing agenda item for each regular Audit and Risk Committee meeting.

Management reports to the Board and the Audit and Risk Committee on whether the Group's material business risks are being managed effectively and updates the risk rating of strategic risks on an ongoing basis, presenting proposed changes to the Board or the Audit and Risk Committee as required. As such, this process is continuous and is designed to provide advanced warning of material risks before they eventuate and includes:

- significant risk identification;
- risk impact quantification;
- risk mitigation strategy development;
- reporting; and
- monitoring and evaluation to ensure the ongoing integrity of the risk management process.

The strategic risk profile of the Group was last updated in August 2024 as part of the Group's strategic planning process.

As part of the regular review of the risk management framework and implementation of the Group's ESG Program, the Group will continue to review whether it has a material exposure (as referred to in the ASX Principles) to environmental and social risks. Further details regarding our ESG Program can be found in the Group's Sustainability Report which is available at: **www.ebosgroup.com**.

With regard to the impact of climate change and, in particular, the impact of severe weather events, these factors are considered as part of specific non-financial risks as summarised below, in particular supply chain disruption and loss of critical warehouse operations. Furthermore, in preparation for releasing its first climate-related disclosures the Company has undertaken a thorough climate risk assessment and identified climate related risks and opportunities. The Company's first climate-related disclosures will be released in October 2024.

Set out in Table 3 on the next page is a summary of key non-financial risks identified by the Group and how these are managed.

In respect of financial risks (foreign currency risk, interest rate risk, liquidity risk and credit risk) and how these are managed, this is described on pages 76 and 77 of the 2024 Annual Report.

Health and Safety Risk Management

The Company aims to provide workplaces that are safe and healthy and workplace health and safety remains a key focus of the Board and senior management. The Group's Work Health & Safety management system ensures strong leadership and accountability for the Group's safety policies (such as the Group's Worker Health & Safety Policy), procedures and work practices across all facilities. This is supported by a risk management framework that is focused on injury prevention. Key parts of the Work Health & Safety management system include:

- **Identifying and managing workplace health and safety risks.** The Group has implemented a systematic approach to the identification, assessment and control of hazards in the workplace. This approach typically includes workplace inspection, risk assessment and training. Individual risk management programs have been implemented for our critical risks, being working at height and traffic management.
- **Incident notification and investigation procedures** All work-related incidents resulting in (or with potential to result in) injury or ill-health to employees, contractors, visitors and members of the public must be logged and investigated via a dedicated Groupwide reporting system.
- **Provision of information, instruction and training.** Appropriate training on health and safety requirements is provided to the Board, senior management and site personnel.

Key details of the Group's health and safety performance is set out in the Group's Sustainability Report including the Group's lost time injury frequency rates (LTIFR) and total recordable injury frequency rates (TRIFR).

The Board receives a report and considers health and safety matters at each regular Board meeting which includes details regarding LTIFR, TRIFR, incidents, training and key activities coordinated by the health and safety team. In addition, there is an in-depth review, at least annually, of health and safety matters by the Board which considers broader trends in the businesses and the health and safety priorities for the next 12 months.

At a management level:

- the Group CEO receives regular reports from the safety team regarding health and safety incidents and initiatives; and
- the Group Safety Committee, chaired by the CEO, develops safety initiatives and identifies areas for further improvement with wide representation from across the Group, thereby encouraging shared learnings and open communication regarding health and safety concerns and opportunities.

Table 3: Key Non-Financial Risks

Risk	Risk management
Competition risk The Group operates in highly competitive markets. This competitive environment can be significantly affected by local market forces, general competitive dynamics, new market entrants, changes in economic conditions and product demand. Any increased competition from new and existing competitors can impact on the Group's ability to generate sales, lead to a loss of market share, and cause a decline in profitability.	The risk of increased competition in the markets that the Group operates in is ever present and to a large extent outside the control of the Group. The Group has a continued focus on its operating performance to ensure that it continues to service the needs of its customers whilst at the same time delivering acceptable returns to shareholders.
Reliance on key suppliers A material proportion of the Group's inbound supplies is derived from key suppliers (or 'original equipment manufacturers') in several of its markets. If a key supplier ceased supplying to the Group or materially reduced the level of its supply, this could result in a material negative impact on the financial performance of the Group. There is the possibility that some key suppliers may choose a direct model, rather than a wholesale or distribution model. Where there is increased demand for particular products in multiple international markets, overseas suppliers may elect to service certain markets over others, resulting in supply shortages for those products in the markets in which the Group operates.	The Group is focused on maintaining its critical supplier relationships by active engagement programs.
Supply chain disruption and macroeconomic conditions The impact of geopolitical issues and current inflationary macroeconomic conditions have resulted in challenges in the supply chain; for example accessing suitably qualified labour, accessing freight services at commercially acceptable rates, restricted supply of products and increased shipping and delivery times.	The Group is reliant on suppliers providing goods in full and on time and in many circumstances is not able to fully mitigate the risk of disruptions to supply, however the Group continues to monitor stock levels to manage the risk of stock shortages where practicable. Each business unit has in place various strategies to mitigate the impact of cost increases however these strategies may not fully offset the impact of cost increases.
Significant changes to price regulation The commercial success of the Group is partly dependent on the achievement of acceptable pricing and margins for the goods and services it provides. The Group operates in a number of highly regulated industry segments, relating to the distribution and supply of pharmaceuticals, medical consumables, medical devices and other health related products. As such, the Group is continually exposed to the risk of new government policies, regulations and legislation that may impact on both the pricing of products and its resulting profitability.	The Australian government's reforms to the Pharmaceutical Benefits Scheme (PBS) over many years has had and continues to have the effect of lowering the prices paid for medicines, thereby lowering the distribution margin earned by Symbion Pty Ltd (Symbion), a wholly owned subsidiary of the Company. The Group has no control over these price adjustments and to date has offset the impact of lower distribution margin with productivity improvements. As the regulated adjustment to medicine prices continues, the Group is focused on adjusting its business model that best meets its objectives, however there is no guarantee that it will always be in a position to offset the lost margin from these reforms. In Australia, the benefit paid to medical device manufacturers and distributors (such as LifeHealthcare) by private health insurers is determined by the Australian Government's Prostheses List. Reforms to the Prostheses List in the past have reduced the benefit payable to medical device manufacturers and distributors. There is no guarantee that EBOS will be able to mitigate the impact of future reforms in part or in full.

Risk	Risk management
Significant changes to industry regulation The financial performance of the Group may be materially affected by changes in government regulations with respect to the pharmacy industry in Australia and New Zealand, including the Community Service Obligation (CSO) funding in Australia. Any material adverse change in the CSO arrangements could have a material negative impact on the financial performance of the Group. These changes could include: changes to the basis of the CSO funding (including a reduction in the overall CSO funding pool or the way in which payments to eligible wholesalers are calculated), changes to the performance criteria, or the termination or expiry of Symbion's CSO deed. In addition, Symbion could fail to achieve the performance criteria resulting in restricted or no access to the CSO funding pool.	Symbion is a signatory to the CSO deed which governs the arrangements under which it distributes medicines around Australia in return for access to a pool of funding that subsidises the distribution of pharmaceuticals to rural and remote parts of Australia. Failure to meet the obligations under this deed or other state-based legislation, may result in restricted or no access to the CSO pool of funding, fines or loss of licence to distribute pharmaceuticals. Symbion reports and reviews its compliance with regulations to ensure all obligations are met. Symbion's operations are also subject to separate external audit by the CSO Agency. If at any point in the future the Australian government decided to reduce the amount of funding provided under the CSO deed then the Group may need to reconsider its business model and determine whether being a signatory to the CSO deed continues to be commercially viable.
Significant changes to pharmacy regulation Future potential changes to the structure of the pharmacy industry in Australia or New Zealand may have a material impact on the Group's margins and financial performance.	Pharmacy in Australia and New Zealand is subject to significant government regulation. This regulation governs the rules on both pharmacy ownership and location. If a government was to change either the ownership or location rules then this could have a significant impact on the Group's operations and financial position. The Group has no control over each government's approach to regulation of these matters but does actively engage with each government on the benefits of the current model.
Product liability and litigation risk The Group may, from time to time, supply products that are, or are claimed to be, defective or be subject to other claims relating to products and services the Group provides. Defects in products and services could be difficult or costly to correct and could expose the Group to the risk of litigation which may affect the Group's financial position. Other consequences of claims related to defective products and services could include regulatory liability, loss of business and reputational damage.	The Group has in place insurance in relation to its products and services. The Group also seeks contractual protection from suppliers where commercially practicable in relation to defective products and services. If proceeds were received from third parties (including insurers), this may not fully cover loss suffered by the Group. The Group has in place quality management systems for products it supplies that are tailored to the relevant business.
Cyber risk The Group operates a number of information technology systems. These systems may be subject to internal or external security breaches. A security breach could result in significant business disruption and cost, misappropriation of funds, loss of intellectual property and disclosure of sensitive business information or personal data. Other consequences as a result of a security breach could include legal or regulatory liability, loss of business and reputational damage.	The Group has in place a number of measures to manage cyber risk including: • workplans to uplift cyber security based on identified areas of improvement; • policies, procedures and practices regarding the use of company information and IT security, including regular employee training; and • data breach response plans to respond to, and mitigate the effects of, any instances of sensitive data breaches should they occur. Notwithstanding the Group's efforts to manage this risk as outlined above, there is no guarantee that the Group will not suffer loss or damage if a security breach occurs.

Risk	Risk management
Health and safety risk Due to the nature of the Group's operations, there is a risk of workplace accidents or unsafe operations. A health and safety incident could lead to harm or injury to the Group's personnel or third parties. Other consequences could include legal or regulatory liability for the Group and its personnel, loss of business and reputational damage.	The Group has in place a Work Health & Safety management system which is more fully described above and work health and safety remains a key focus of the Group.
Loss of critical operations for a sustained period The loss, or underperformance, of a critical site permanently or for a sustained period could be as a result of a number of factors for example a climate-related event, fire, or system-related issues. It would result in significant disruption for customers and suppliers and could materially affect the Group's financial results.	Critical sites have in place building and engineering controls such as fire protection and security systems. In considering sites for new facilities, the Group will select sites that are suitable (for example, avoiding flood prone areas). Critical sites also have business continuity plans in place, including utilising other sites within the Group if an event occurs. The Group has business continuity insurance which may cover some losses incurred depending on the circumstances.
Acquisitions and major capital expenditure projects A part of the Group's strategy is investing for growth, which includes through acquisitions and capital investment. There is a risk that the results of an acquired business are weaker than those indicated by the Group's analysis undertaken prior to acquiring the business. There is a risk that latent, future or otherwise unknown claims or liabilities are not identified, notwithstanding the Group's processes. Supply of project materials, delays in regulatory approvals, the availability of suitably qualified labour and consultants, along with potentially rising funding costs can impact major capital expenditure projects. In particular, the Group's solar array project is dependent on certain regulatory approvals and the construction of related infrastructure by a third party. There is a risk that major capital expenditure projects do not meet scheduled 'go live' dates, cost more than estimated or do not deliver the benefits expected.	The Group has a robust due diligence process which is supported by external advisors as required. Regular updates are provided to the Board and the Board approves all material acquisitions. Transition and integration plans are put in place with key actions, responsibilities and timelines identified. The Group has robust procedures in place for oversight of capital expenditure projects, including delegated authorities. Major capital projects require Board approval, and the Board is provided with updates as required on the progress of such projects. Management typically has a steering committee in place to oversee major capital projects. Where appropriate, external project management expertise is engaged.

Principle 7 – Auditors

Deloitte, the Company's external auditor, is invited to attend all Audit and Risk Committee meetings and all Audit and Risk Committee papers are made available to Deloitte. The Audit and Risk Committee Charter sets out the framework for the Company's relationship with its external auditor. The engagement partner is rotated every five years.

During FY24, the Board determined to conduct a formal request for proposal process for external audit services for the financial years ending 30 June 2024- 2026. The process was overseen by the Audit and Risk Committee and the four major accounting firms were invited to participate. The process was completed in August 2024 and it was determined that Deloitte should be retained as the Group's external auditor.

Deloitte attends the Company's Annual Meeting and a representative is available to answer questions from shareholders relevant to that audit at, or ahead of, the Annual Meeting.

The Company has appointed KPMG to act as the Company's internal auditor by reviewing specific areas of the business each year under a program approved by the Audit and Risk Committee to provide the Company with an independent and objective evaluation of the Company's management of risk.

It is open to the Audit and Risk Committee to meet external auditors and internal auditors without management present.

Principle 8 – Shareholder Rights and Relations

Respecting the rights of shareholders is of fundamental importance to the Company and a key element of this is how the Company communicates to its shareholders. To this end, the Company recognises that shareholders must receive relevant information in a timely manner in order to properly and effectively exercise their rights as shareholders.

Information is communicated to shareholders in the Annual Report and the half year financial statements and related documents. Investors are provided with information on the Company from its website. The website contains recent NZX and ASX announcements and reports. Shareholders are also given the option to receive communications from, and send communications to, the Company and its security registry electronically.

The Company has an investor relations program, which aims to provide information that will allow existing shareholders, potential shareholders and financial analysts to make informed decisions about the Company. This program is governed by a set of shareholder participation principles that are designed to promote effective communication with shareholders and encourage shareholder participation at general meetings. These principles are set out in section 12 of the Corporate Governance Code.

The Board encourages full participation of shareholders at the Company's meetings to ensure a high level of accountability and identification with the Company's strategies and goals, including holding 'hybrid' meetings which allows shareholders to attend and vote in person or online, encouraging shareholders to attend meetings, giving advanced notice of the dates of all scheduled meetings, ensuring that meetings are held at a reasonable place and time, inviting shareholders to submit questions in advance or via an online platform during the meeting and allowing time at meetings for shareholders to speak on any resolutions and ask questions of the Board. The notice of meeting for any annual meeting is despatched at least 20 working days prior to the meeting. As required by the NZX Listing Rules, all resolutions are decided by a poll.

The Company remains committed to shareholders having a right to vote on major decisions which may change the nature of the Company.

The Company did not undertake a capital raising during FY24. The Board acknowledges NZX Code Recommendation 8.4 regarding the offer of further securities on a pro rata basis. In considering options regarding capital raisings, the Board will take into account a number of factors including the Recommendation however its decision will be based on the best outcome for the Company.

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