

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

BAPCOR LIMITED

ABN/ARBN

80 153 199 912

Financial year ended

30 June 2019

Our corporate governance statement² for the above period above can be found at:³

these pages of our annual report: _____

this URL on our website: <http://www.bapcor.com.au/governance>

The Corporate Governance Statement is accurate and up to date as at 30 September 2019 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.



GREGORY FOX
Company Secretary
2 October 2019

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.bapcor.com.au/governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.bapcor.com.au/governance</p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>http://www.bapcor.com.au/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement AND</p> <p>✓ at this location:</p> <p>In the Company's 2019 Annual Report</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>In the Company's 2019 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.bapcor.com.au/governance</p> <p>http://www.bapcor.com.au/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>http://www.bapcor.com.au/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p style="padding-left: 40px;">In the Company's 2019 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.bapcor.com.au/governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: http://www.bapcor.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>http://www.bapcor.com.au/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement AND</p> <p>✓ at this location:</p> <p>In the Company's 2019 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>http://www.bapcor.com.au/governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement AND</p> <p>✓ at this location:</p> <p>In the Company's 2019 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: In the Company's 2019 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: In the Company's 2019 Notice of Meeting</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: _____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Bapcor Limited ACN 153 199 912

CORPORATE GOVERNANCE STATEMENT

The Directors and management of Bapcor Limited (**Bapcor** or the **Company**) are committed to conducting the business of Bapcor and its controlled entities (the **Group**) in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and fully complies with the ASX *Corporate Governance Principles and Recommendations (Third Edition)* (**Recommendations**).

The Company has prepared this statement which sets out its corporate governance practices that were in operation throughout the financial year ended 30 June 2019. This statement identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations. This statement is current as at 30 September 2019 and has been approved by the Board of Bapcor.

The Company's corporate governance policies and charters are all available on the Company's website (www.bapcor.com.au/governance) (the **Website**).

ASX Recommendation	Status	Reference / Comment
Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i>		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Complying	<p>The Board has adopted a Charter (Board Charter) which establishes the role of the Board and its relationship with management. The Board Charter clearly articulates the division of responsibilities between the Board and management, in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities.</p> <p>As detailed in the Board Charter, the primary role of the Board is the protection and enhancement of long term shareholder value, and its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of Bapcor.</p> <p>The Board Charter additionally sets out the role and responsibility of the Chairman, and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.</p> <p>The Board has delegated to the Chief Executive Officer (CEO) the authority and power to manage Bapcor and its businesses within levels of authority specified by the Board from time to time. The CEO may sub-delegate aspects of his authority and power but remains accountable to the Board for Bapcor's performance, and is required to report regularly to the Board on the progress being made by Bapcor's business units.</p> <p>In accordance with the Board Charter, the Board reviews the Board Charter at least annually, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.</p> <p>A copy of the Board Charter is available on the Website.</p>

<p>1.2</p>	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Complying</p>	<p>The Board has established and operates a Nomination and Remuneration Committee. The Nomination and Remuneration Committee's functions and powers are formalised in a Nomination and Remuneration Committee Charter, a copy of which is available on the Website.</p> <p>The nomination-related function of the Nomination and Remuneration Committee is to, where required:</p> <ul style="list-style-type: none"> ▪ identify suitable candidates with appropriate skills, experience, expertise and diversity to complement the existing Board, in order for the Board to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board; ▪ undertake appropriate checks on a candidate and seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a director; and ▪ subject to the results of such checks and confirmations, make recommendations to the Board on their appointment. <p>Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.</p> <p>The Company provides information to shareholders about Directors seeking re-election at a general meeting, to enable shareholders to make an informed decision on whether or not to re-elect the Directors. In particular, the Company provides information on each relevant Director's qualifications and experience; the skills he/she brings to the Board; details of any other listed directorships held in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect of the re-election of the Director.</p> <p>The Company will, in the case of a candidate standing for election as a director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Nomination and Remuneration Committee has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, the candidate's capacity to exercise independent judgement on board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.</p>
<p>1.3</p>	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Complying</p>	<p>All Directors and senior executives have entered into written agreements with the Company.</p> <p>Specifically, each Non-Executive Director has been given a letter of appointment which outlines the Director's terms of appointment including the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies.</p> <p>Similarly, senior executives including the CEO and Chief Financial Officer (CFO), have a formal job description and services agreement or employment agreement with the Company describing their term of office, duties, rights and responsibilities, and entitlements on termination.</p>
<p>1.4</p>	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Complying</p>	<p>The Company Secretary is responsible for the day to day operations of the company secretary's office, including the administration of Board and committee meetings, overseeing Bapcor's relationship with its share registrar and lodgements with the ASX and other regulators.</p> <p>The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making</p>

			<p>disclosures to the ASX in accordance with Bapcor's Disclosure Policy.</p> <p>The Company Secretary supports the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and despatch of Board agendas and briefing papers.</p> <p>The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary.</p> <p>The decision to appoint or remove the Company Secretary is made or approved by the Board.</p>										
<p>1.5</p>	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Complying</p>	<p>The workforce of Bapcor is made up of team members with diverse skills, backgrounds, perspectives and experiences, and this diversity is recognised, valued and respected.</p> <p>To enumerate its commitment to diversity in its workforce, including but not limited to gender diversity, the Board has adopted a Diversity Policy, a copy of which is available on the Website.</p> <p>The overriding objective of the Diversity Policy is to align Bapcor's business operations with the positive outcomes that can be achieved through a diverse workforce that recognises and utilises the contribution of its diverse skills and talent.</p> <p>The Diversity Policy also seeks to ensure that Bapcor has a properly functioning diverse workplace where discrimination, bullying, harassment, vilification and victimisation cannot and will not be tolerated.</p> <p>The Diversity Policy seeks to promote diversity that extends beyond gender, and includes, but is not limited to, issues of age, ethnicity, marital or family status, religious or cultural background, sexual orientation or preference, disability and mental impairment.</p> <p>The Board is tasked with responsibility for the Diversity Policy, including the responsibility to regularly review and monitor the effectiveness of the policy.</p> <p>The Board is also responsible, under the Diversity Policy, to annually set and review measurable objectives in relation to gender diversity (and where appropriate, other aspects of diversity including in respect of women in leadership, age diversity and cultural diversity), and annually assess Bapcor's progress in achieving these objectives.</p> <p>The Company will disclose these measurable objectives and report on its progress in achieving such objectives during each financial year in Bapcor's annual corporate governance statement.</p> <p>In respect of the 2019 financial year, Bapcor's measurable objectives for gender diversity were to:</p> <ul style="list-style-type: none"> ▪ maintain female representation at approximately one third of the total workforce; and ▪ promote and provide opportunities to capable female employees internally. <p>In the Board's view, these measurable objectives are appropriate given the circumstances of the Company and the sector in which Bapcor operates.</p> <p>As at 30 June 2019, female representation on Bapcor's workforce across Australia and New Zealand at various management levels was as follows:</p> <table border="1" data-bbox="730 1906 1433 2047"> <tr> <td>Board of Directors</td> <td>60%</td> </tr> <tr> <td>Non-Executive Directors</td> <td>75%</td> </tr> <tr> <td>Senior Executives</td> <td>11%</td> </tr> <tr> <td>Managers</td> <td>24%</td> </tr> <tr> <td>Entire organisation</td> <td>25%</td> </tr> </table>	Board of Directors	60%	Non-Executive Directors	75%	Senior Executives	11%	Managers	24%	Entire organisation	25%
Board of Directors	60%												
Non-Executive Directors	75%												
Senior Executives	11%												
Managers	24%												
Entire organisation	25%												

			<p>For the purposes of the table above:</p> <ul style="list-style-type: none"> ▪ “Senior Executive” means the CEO and the CEO’s direct reports. ▪ “Managers” means executives two layers below the CEO. ▪ “Entire organisation” includes casual employees and excludes Non-Executive Directors and independent contractors. <p>Bapcor considers that overall female representation of 25% of the workforce as at 30 June 2019 represents ongoing progress towards its measurable objective of approximately one third female representation.</p> <p>During the 2018/2019 reporting period, 24% of employees awarded promotions were female.</p> <p>In accordance with the <i>Workplace Gender Equality Act 2012</i>, Bapcor has submitted a Workplace Gender Equality Report for the 2018/2019 reporting period for its Australian operations and has received confirmation of compliance. The report is available on the Bapcor website.</p>
<p>1.6</p>	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Complying</p>	<p>In accordance with the Board Charter, the Nomination and Remuneration Committee is required to regularly carry out a formal review of the performance of the Board, its committees, and each individual Director, using where necessary an external consultant, against appropriate measures. The review will assess, amongst other things:</p> <ul style="list-style-type: none"> ▪ the effectiveness of the Board and each committee in meeting the requirements of its charter; ▪ whether the Board and each committee has members with the appropriate mix of skills and experience to properly perform their functions; ▪ the contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and ▪ whether adequate time is being allocated to Bapcor’s matters, taking into account each Director’s other commitments. <p>During the year, the Board undertook a performance evaluation, which was conducted by an independent external consultant. The purpose of the Board evaluation was to improve board and company performance and to allow the Board to identify areas where performance can be enhanced.</p> <p>In addition, during the year, the Board undertook an assessment and review of the skillset and experience of each Director individually and the Board as a whole.</p> <p>The Nomination and Remuneration Committee and the Audit and Risk Committee are also required to evaluate their own performances at least once every two years to determine whether each committee is functioning effectively by reference to current best practice.</p> <p>Performance evaluations for the committees were undertaken during the year by an external independent consultant.</p>
<p>1.7</p>	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period,</p>	<p>Complying</p>	<p>The Nomination and Remuneration Committee is required to regularly carry out a formal review of the performance of senior management, using where necessary an external consultant, against appropriate measures.</p> <p>In addition, each year, the Nomination and Remuneration Committee is required to review the performance of the CEO and any other executive directors as may be appointed against guidelines approved by the Board.</p>

	<p>whether a performance evaluation was undertaken in the reporting period in accordance with that process</p>		<p>A performance evaluation of the CEO and senior executives was undertaken by the Nomination and Remuneration Committee in respect of the 2019 financial year.</p>
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Principle 2 – Structure the Board to add value

A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.

<p>2.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Complying</p>	<p>The Board has established a Nomination and Remuneration Committee. As at the date of this statement, the Nomination and Remuneration Committee is comprised of four members:</p> <ul style="list-style-type: none"> ▪ Ms Therese Ryan, (Appointed on 31 March 2014); ▪ Ms Margaret Haseltine, (Appointed on 30 May 2016); ▪ Mr Andrew Harrison, (Appointed on 31 March 2014); and ▪ Ms Jennifer Macdonald (Appointed on 1 September 2018). <p>The Nomination and Remuneration Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>All Nomination and Remuneration Committee members, including the Committee Chairman, Ms Therese Ryan, are considered by the Board to be independent Directors.</p> <p>The nomination-related function of the Nomination and Remuneration Committee is, in summary, to review and make recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management).</p> <p>The Nomination and Remuneration Committee meets as often as is required by the Nomination and Remuneration Committee Charter or other policy approved by the Board to govern the operation of the Nomination and Remuneration Committee.</p> <p>Following each meeting, the Nomination and Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination and Remuneration Committee that requires Board approval.</p> <p>The number of times that the Nomination and Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.</p> <p>The Company will continue to disclose in future annual reports the number of times the Nomination and Remuneration Committee meets throughout each financial year and the individual attendances of the members at those meetings.</p>
<p>2.2</p>	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or</p>	<p>Complying</p>	<p>The Board aims to be comprised of Directors which have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to Bapcor's businesses and the Board's responsibilities. This objective is enumerated in the Board Charter.</p> <p>The Board regularly evaluates the mix of skills, experience and diversity at the Board level, and has developed and adopted a</p>

<p>is looking to achieve in its membership.</p>	<p>Board skills matrix which has been tailored to the circumstances and requirements of Bapcor.</p> <p>The skills matrix is reviewed at least annually by the Nomination and Remuneration Committee and the Board, to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company's circumstances and strategic priorities.</p> <p>The objectives of the skills matrix adopted by the Board are to:</p> <ul style="list-style-type: none"> ▪ Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board of Bapcor as a whole, in order for the Board to fulfil its role and in light of Bapcor's strategic direction; ▪ Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and ▪ Identify any gaps in skills or competencies that can be addressed in future director appointments. <p>During the 2019 financial year, the Board assessed each Director's skill level against the following key skills set out in the matrix which the Board considered to be desired of the Board of Bapcor:</p> <ol style="list-style-type: none"> 1. Accounting and financial reporting 2. Corporate governance and compliance 3. Health and safety 4. Diversity issues 5. Board of director experience <ul style="list-style-type: none"> ▪ Public company ▪ Other 6. Digital strategy <ul style="list-style-type: none"> ▪ General ▪ Information Technology 7. Corporate finance/investment banking 8. Human resources management 9. Automotive industry knowledge <ul style="list-style-type: none"> ▪ Wholesaling and distribution ▪ Retail distribution ▪ Trade distribution 10. Sales, branding and marketing <ul style="list-style-type: none"> ▪ General ▪ Customer Satisfaction 11. Supply chain <ul style="list-style-type: none"> ▪ Warehousing and distribution ▪ Logistics ▪ Procurement (local and overseas sourcing) 12. Franchising 13. Retailing 14. Change Management 15. Legal 16. Business and organisational management
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			<ul style="list-style-type: none"> ▪ General ▪ Planning <p>17. Executive remuneration</p> <p>18. Risk management</p> <p>19. Investor relations/stakeholder engagement</p> <p>20. Nominations and succession planning</p> <p>21. Business intelligence</p> <p>22. International and Asia Business Development</p> <p>The Board assessment indicates that each Director is considered to have advanced skills in a number of areas and no Director has less than intermediate skill in any of the above areas.</p> <p>The Board considers that it currently has an appropriate mix of skills and diversity, and provides in the Company's Annual Reports information about the skills, experience and expertise relevant to the position of director held by each Director.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Complying	<p>As at the date of this statement, the Board is comprised of:</p> <ul style="list-style-type: none"> ▪ Mr Andrew Harrison (Appointed on 31 March 2014); ▪ Mr Darryl Abotomey (Appointed on 17 October 2011); ▪ Ms Therese Ryan (Appointed on 31 March 2014); ▪ Ms Margaret Haseltine (Appointed on 30 May 2016); and ▪ Ms Jennifer Macdonald (Appointed on 1 September 2018). <p>All Directors are Non-Executive Directors with the exception of Mr Darryl Abotomey, the CEO.</p> <p>The Board has considered the circumstances of each Director and determined that all Non-Executive Directors are independent Directors, on the basis that they are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of their judgement. In reaching this conclusion, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.</p> <p>The Board, with the guidance of the Nomination and Remuneration Committee, will continually assesses whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of Bapcor and its security holders generally.</p> <p>The Corporations Act and monthly Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.</p> <p>The length of service of each Director is set out in the Company's 2019 Annual Report.</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	Complying	<p>As at the date of this statement, the Board is comprised of five Directors. A majority (four) of the Directors are Non-Executive and independent. The only non-independent Director is Mr Darryl Abotomey, the CEO of Bapcor.</p>

2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Complying</p>	<p>Mr Andrew Harrison, Chairman of the Board, is an independent Non-Executive Director.</p> <p>The positions of Chairman and CEO are held by separate persons, Mr Andrew Harrison and Mr Darryl Abotomey respectively.</p>
2.6	<p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Complying</p>	<p>The Nomination and Remuneration Committee is tasked with ensuring that an effective induction process is in place for newly appointed Directors, and the review of those induction procedures.</p> <p>In addition, the Nomination and Remuneration Committee is responsible for ensuring that incumbent Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p> <p>As Directors join the Board, they undertake a comprehensive induction program, which includes the provision of information on the Company's core values, key strategies, objectives, as well as its governance framework and operations. New Directors also meet with senior management to gain a better appreciation of the Group's services and capabilities.</p> <p>The Board receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance.</p> <p>All Directors have ongoing access to information on the Company's operations and to the Group's senior management.</p> <p>Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company.</p> <p>Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.</p>

Principle 3 – Act ethically and responsibly

A listed entity should act ethically and responsibly

3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Complying</p>	<p>The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, a copy of which is available on the Website.</p> <p>The Code of Conduct sets out the way in which Bapcor seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on Bapcor in strict compliance with all laws and regulations.</p> <p>The Code of Conduct articulates acceptable practices for directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices.</p> <p>The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.</p> <p>Responsibilities of Bapcor's personnel under the Code of Conduct include protection of Bapcor's business, using Bapcor's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.</p>
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Principle 4 – Safeguard integrity in corporate reporting

A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.

<p>4.1</p>	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Complying</p>	<p>The Board has established an Audit and Risk Committee. As at the date of this statement, the Audit and Risk Committee is comprised of four members:</p> <ul style="list-style-type: none"> ▪ Ms Jennifer Macdonald (Appointed on 1 September 2018); ▪ Ms Therese Ryan, (Appointed on 31 March 2014); ▪ Ms Margaret Haseltine, (Appointed on 30 May 2016); and ▪ Mr Andrew Harrison, (Appointed on 31 March 2014). <p>The audit-related role of the Audit and Risk Committee is to oversee Bapcor’s financial reporting and its internal and external audit functions.</p> <p>This includes confirming the quality and reliability of the financial information prepared by Bapcor, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.</p> <p>All Audit and Risk Committee members, including the Chairman of the Committee Ms Jennifer Macdonald, are considered to be independent Directors. Ms Jennifer Macdonald is not the Chairman of the Board.</p> <p>The Audit and Risk Committee’s functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>The Audit and Risk Committee meets as often as is required by the Audit and Risk Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Committee.</p> <p>The Audit and Risk Committee regularly reports to the Board about committee activities, issues and related recommendations.</p> <p>The Chairman of the Committee may invite other Directors, members of senior management and representatives of the external auditor to be present at meetings of the committee and seek advice from external advisers.</p> <p>The number of times that the Audit and Risk Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Audit and Risk Committee members are disclosed in the Company’s 2019 Annual Report.</p>
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4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Complying</p>	<p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board, with the guidance of the Audit and Risk Committee, reviews the Group's half yearly and annual financial statements.</p> <p>The Board has a process to receive written assurances from the CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> <p>The Board does and will continue to seek these assurances prior to approving the financial statements for all half year and full year results.</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Complying</p>	<p>In accordance with the Company's Shareholders Communications Policy, a copy of which is available on the Website, shareholders are encouraged to attend the Company's Annual General Meeting, which the Company's auditors will be requested to attend.</p> <p>Shareholders are given an opportunity at each Annual General Meeting to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p>

Principle 5 – Make timely and balanced disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Complying</p>	<p>The Board has adopted a Disclosure Policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.</p> <p>The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors.</p> <p>The Board has established a Disclosure Committee comprising the CEO and the CFO/Company Secretary (who also acts as the Disclosure Officer).</p> <p>The Disclosure Committee is responsible for:</p> <ul style="list-style-type: none"> ▪ determining what information will be disclosed by Bapcor to the ASX; ▪ implementing procedures to ensure that, if required, disclosures to the ASX can be made immediately; and ▪ trading halt requests can be lodged with the ASX immediately. <p>In accordance with the Disclosure Policy, the Disclosure Officer is responsible for ensuring that all Board decisions that must be disclosed to the ASX are dealt with by an appropriate company announcement.</p> <p>The purpose of these procedures is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>A copy of the Disclosure Policy is available on the Website.</p>
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Principle 6 – Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Complying</p>	<p>The Bapcor Website is the primary medium of providing information to all shareholders and stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.</p> <p>The Website contains information relevant to shareholders and stakeholders including:</p> <ul style="list-style-type: none"> ▪ all relevant announcements made to the market, including annual and half yearly reports; ▪ all corporate governance policies and charters adopted by the Board; ▪ information provided to analysts or media during briefings; and ▪ the full text of notices of meeting and explanatory material.
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Complying</p>	<p>The Board is committed to facilitating effective two-way communication with its shareholders, investors and stakeholders, and has adopted a Shareholder Communication Policy to define and support this commitment. A copy of the Shareholder Communication Policy is available on the Website.</p> <p>The Shareholder Communication Policy sets out the Company's investor relations approach, namely by communicating with its shareholders and investors by posting information on the Website, and by encouraging attendance and participation of shareholders at general meetings.</p> <p>Following the release of Bapcor's half-year and full-year results, Bapcor conducts a results announcement open briefing which the public, including the media, all shareholders, stakeholders and new investors, are invited to attend. In addition, Bapcor also conducts investor and analyst briefings at which institutional investors and stockbroking analysts are briefed. At both meetings, attendees are given an opportunity to ask questions of the CEO and CFO.</p>
6.3	<p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Complying</p>	<p>Shareholders are encouraged to attend the Company's general meetings and notices of such meetings are given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.</p> <p>The Company's annual general meeting in particular is an opportunity for shareholders to receive updates from the CEO and Chairman on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business.</p> <p>Shareholders are also given an opportunity at annual general meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p> <p>The date, time and location of the Company's general meetings are provided in the notices of meetings, and on the Website. Whilst shareholders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.</p>
6.4	<p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Complying</p>	<p>Investors are able to communicate with the Company electronically by emailing the Company Secretary. Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.</p> <p>Bapcor encourages its shareholders to receive company information electronically by registering their email addresses online with Bapcor's share registry.</p>

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

<p>7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Complying</p> <p>The Board has established an Audit and Risk Committee. As at the date of this statement, the Audit and Risk Committee is comprised of four members:</p> <ul style="list-style-type: none"> ▪ Ms Jennifer Macdonald (Appointed on 1 September 2018); ▪ Ms Therese Ryan, (Appointed on 31 March 2014); ▪ Ms Margaret Haseltine, (Appointed on 30 May 2016); and ▪ Mr Andrew Harrison, (Appointed on 31 March 2014). <p>The risk-related role of the Audit and Risk Committee is to oversee Bapcor's internal control structure and risk management systems, to provide advice to the Board and to report on the status and management of the risks to Bapcor.</p> <p>The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.</p> <p>All Audit and Risk Committee members, including the Chairman of the Committee Ms Jennifer Macdonald, are considered to be independent Directors.</p> <p>The Audit and Risk Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>The Audit and Risk Committee meets as often as is required by the Audit and Risk Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Committee.</p> <p>The number of times that the Audit and Risk Committee met throughout the financial year and the individual attendances of the members at those meetings, and the relevant qualifications and experience of the Audit and Risk Committee members are disclosed in the Company's 2019 Annual Report.</p>
<p>7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Complying</p> <p>The Group has various policies and procedures to identify, assess and manage business and operational risks. Responsibility for risk management is shared across the organisation.</p> <p>The Board is responsible for overseeing the establishment of and approving risk management strategy, policies, procedures and systems of Bapcor. Bapcor management is responsible for establishing Bapcor's risk management framework.</p> <p>The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring Bapcor's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.</p> <p>In addition, the Audit and Risk Committee is required, under its charter, to undertake a review of Bapcor's risk management framework with management, at least once annually.</p> <p>A review of the Group's risk management framework and risk register was undertaken during the 2019 financial year.</p>

<p>7.3</p>	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Complying</p>	<p>The Company has established an Internal Audit function. The principal objective of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the business operations at Bapcor. The Internal Audit function helps Bapcor accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, risk and governance processes.</p> <p>The functional and organisational framework within which Bapcor's Internal Audit operates is formalised in an Internal Audit Charter, a copy of which is available on the Website.</p> <p>The Internal Audit function is currently carried out with the assistance of a service provider with the skill-sets, sufficient knowledge, experience, professional certifications, geographic reach and independence required to deliver an objective and value adding assurance function to Bapcor, and to meet the requirements of the Internal Audit Charter. The appointment of the service provider is approved by the Audit and Risk Committee.</p> <p>The Internal Audit function has strict accountability for the confidentiality and safeguarding of records and information, and is fully authorised to have free and unrestricted access to any and all of Bapcor's records, physical properties and personnel pertinent to carrying out any engagement. All Bapcor employees are required to assist in Internal Audit activity as part of their role and responsibility within the organisation. The Internal Audit function also has free and unrestricted access to Bapcor's Audit and Risk Committee.</p> <p>The Internal Audit function is independent of the external audit function, and remains free from interference by any element in the organisation, including matters of external audit selection, scope, procedures, frequency timing or report content.</p> <p>The Internal Audit function reports to the Audit and Risk Committee periodically and administratively (on a day to day basis) to the CFO and Company Secretary, with rights of direct access to the CEO.</p> <p>Internal Audit reports are regularly submitted to the Audit and Risk Committee and, where appropriate, to management and the Board. The Audit and Risk Committee approves the internal audit plan annually.</p>
<p>7.4</p>	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Complying</p>	<p>The Group's operations are not subject to any significant environmental regulations under Australian Commonwealth or State legislation. Whilst the Company has exposure to elements of risks relevant to the industry in which Bapcor operates, the Company does not consider, given the nature of its business, that it has any specific extraordinary exposure to economic, environmental and social sustainability risks.</p> <p>Notwithstanding this, Bapcor recognises that a sustainable and successful business is impacted by the engagement of employees, delivery of shareholder wealth and optimisation of business operations in an affordable, social and environmentally responsible manner. Bapcor takes an integrated sustainability approach, aligning company values and strategic direction with positive outcomes for Bapcor's stakeholders, and the wider community in which it operates. Bapcor views investment in these areas as an important driver of long-term performance and value creation.</p> <p>To enumerate its approach and commitment to sustainability, the Board has adopted an Environmental Social and Governance (ESG) Policy, a copy of which is available on the Website.</p> <p>The Board is tasked with responsibility for the ESG Policy, including the responsibility to regularly review and monitor the effectiveness of the policy. The Board is also responsible, under the ESG Policy, to annually set and review objectives in relation to</p>

		<p>the policy, and annually assess Bapcor's progress in achieving these objectives.</p> <p>In addition, the Board has adopted an ESG Strategy which builds upon Bapcor's vision, commitment and responsibilities with respect to the ESG sustainability factors outlined in the ESG Policy. A copy of the ESG Strategy is available on the Website, and is regularly reviewed by the Board.</p> <p>Further details about Bapcor's ongoing economic, environmental and social sustainability initiatives are provided in the Sustainability section of its 2019 Annual Report.</p>
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Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

<p>8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Complying</p> <p>The Board has established a Nomination and Remuneration Committee. As at the date of this statement, the Nomination and Remuneration Committee is comprised of four members:</p> <ul style="list-style-type: none"> ▪ Ms Therese Ryan, (Appointed on 31 March 2014); ▪ Ms Margaret Haseltine, (Appointed on 30 May 2016); ▪ Mr Andrew Harrison, (Appointed on 31 March 2014); and ▪ Ms Jennifer Macdonald (Appointed on 1 September 2018). <p>The Nomination and Remuneration Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>All Nomination and Remuneration Committee members, including the Committee Chairman, Ms Therese Ryan, are considered by the Board to be independent Directors.</p> <p>The remuneration-related role of the Nomination and Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies relating to the Directors, CEO and senior executives and to ensure that the remuneration policies and practices are consistent with Bapcor's strategic goals and human resources objectives.</p> <p>The Committee is also responsible for administering short term and long-term incentive plans (including any equity plans) and reviewing Bapcor's claw back policy in respect of performance-based remuneration.</p> <p>The Nomination and Remuneration Committee meets as often as is required by the Nomination and Remuneration Committee Charter or other policy approved by the Board to govern the operation of the Nomination and Remuneration Committee.</p> <p>Following each meeting, the Nomination and Remuneration Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination and Remuneration Committee that requires Board approval.</p> <p>The number of times that the Nomination and Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's 2019 Annual Report.</p> <p>The Company will continue to disclose in future annual reports the number of times the Nomination and Remuneration Committee meets throughout each financial year and the individual attendances of the members at those meetings.</p>
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<p>8.2</p>	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Complying</p>	<p>Details of the Directors' and key senior executives' remuneration are set out in the Remuneration Report section of the Company's 2019 Annual Report.</p> <p>The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report section of the Company's 2019 Annual Report.</p>
<p>8.3</p>	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Complying</p>	<p>Bapcor has adopted a Long-Term Incentive Plan (LTIP) to assist in the motivation, retention and reward of the CEO and certain senior executives.</p> <p>The LTIP is designed to align the interests of the CEO and senior executives more closely with the interests of shareholders by providing an opportunity for senior executives to receive an equity interest in Bapcor through the granting of performance rights, the vesting of which is subject to satisfaction of certain performance conditions.</p> <p>A summary of the LTIP is provided in the Company's notice of meeting for its 2019 Annual General Meeting, where approval of the LTIP will be sought from shareholders. The LTIP was last approved by shareholders at the Company's 2016 Annual General Meeting.</p> <p>Participants in the LTIP are not permitted to hedge or otherwise limit the economic risk of participating in the LTIP.</p> <p>In addition, the Company has adopted a Securities Trading Policy which prohibits Directors, the CEO and senior executives and other key management personnel and their closely related parties from entering into any arrangement that would have the effect of, directly or indirectly, granting any form of security (whether by way of charge, mortgage, pledge or otherwise) over any Bapcor securities which are unvested or subject to a holding lock, to secure any obligation or enter into any margin lending arrangement involving Bapcor securities.</p> <p>A copy of Bapcor's Securities Trading Policy is available on the Website.</p>