

Corporate Governance Statement 2026

A Focused Portfolio of Australian and New Zealand Companies

AMCIL



Corporate Governance Statement 2026

Introduction

The Board of AMCIL Limited (the 'Company') is committed to having high standards of ethical behaviour and to having an effective system of corporate governance commensurate with the size of the Company and the scope of its business operations.

In accordance with ASX Listing Rule 4.10.3, set out below are the applicable ASX Corporate Governance Council's eight principles of corporate governance – fourth edition (ASX Governance Principles) and outlined accordingly is how the Board has applied each principle and the recommendations set out within them during the financial year ended 30 June 2026. A full copy of the ASX Governance Principles and the underlying recommendations can be found on the ASX's website.

The Company is fully supportive of the 'if not, why not' disclosure-based approach to governance adopted by the ASX Governance Principles and the recognition within them that there is no single model of corporate governance and that good corporate governance practice is not restricted to adopting the recommendations contained in the ASX Governance Principles.

Principle 1: Laying Solid Foundations for Management and Oversight

This Principle requires the Company to clearly delineate the respective roles and responsibilities of both the Board and management and regularly review their performance.

Role of the Board

The Corporate Objective of the Company, as determined by the Board, is to provide shareholders with attractive returns through strong capital growth in the portfolio over the medium to long term together with the generation of fully franked dividend income.

The role of the Board underpins and supports the Corporate Objective of the Company. The Board generally sets objectives and goals for the operation of the Company, oversees the Company's management, regularly reviews the Company's performance and monitors its affairs in the best interests of the Company. For these responsibilities, the Board is accountable to its shareholders as owners of the Company.

The Board operates under a Board charter, available on the Company's website, which documents the role of the Board outlined above and the matters that the Board has reserved to itself. Those matters include:

- setting the Corporate Objective of the Company and approving business strategies and plans of the Company designed to meet that objective;
- approving the expense budget at least annually;
- approving changes to the Company's capital structure and dividend policy;
- appointing and removing the CEO/ Managing Director and carrying out succession planning for the CEO/ Managing Director as applicable;
- approving the Company's risk appetite; and
- reviewing the performance of management and the Company, including in relation to the risk management, internal controls and compliance systems adopted by the Company and the monitoring and review of the performance of Australian Investment Company Services Limited (AICS) in relation to the services that AICS provides the Company.

The Directors meet formally as a Board normally monthly and the Non-Executive Directors also meet in the absence of the Managing Director and members of management.

Delegation to Board Committees

The Board has established an Investment Committee and Audit Committee to assist the Board in exercising its authority. Both Board Committees operate under formal charters that are made publicly available on the Company's website, www.amcil.com.au.

A chart showing the number of Board and Board Committee meetings held during the year and attendance by Directors is set out below:

	Board		Investment Committee		Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
RH Myer	12	12	11	11	–	3#
RM Freeman	12	12	11	11	–	3#
RG Brown	12	10	11	9	–	2#
PJ Dwyer	12	10	11	9	3	2
MJ Hirst	12	12	11	11	3	3
JJ Webster	12	12	11	11	3	3

Attended meetings by invitation.

The role and work of the Audit Committee is outlined under Principle 4 and Principle 7.

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The general role of the Investment Committee, whose membership as at the 30 June 2026 comprised of RH Myer, RM Freeman, RG Brown, PJ Dwyer, MJ Hirst and JJ Webster is to review investment decisions to support the Company's Corporate Objective. In doing this, the Committee:

- approves all purchases and sale decisions and other investment matters required to maintain the investment and trading portfolios;
- makes decisions in relation to how other portfolio-related activities are carried out including voting instructions and lodgement of proxies in respect of general meetings of companies in which the Company has invested;
- receives reports on portfolio matters, including portfolio performance, transaction reports, portfolio position reports and performance attribution analysis; and
- receives reports and recommendations in relation to the review and analysis of companies/securities in which the Company is able to invest or has invested.

The Committee also plays an important role in the oversight of investment risk, which is set out under Principle 7.

Relationship with AICS

The Company has entered into an agreement with Australian Investment Company Services Limited (AICS) for AICS to provide on a nonexclusive basis a comprehensive range of services to the Company under the leadership of the Managing Director of AICS, who has been appointed Managing Director of the Company, including the day-to-day maintenance of the portfolios and associated research.

The Managing Director is responsible to the Company for the performance of those services and the Board acts in close consultation and cooperation with AICS in relation to the provision of services by AICS to the Company. AICS is paid a fee based on its costs in providing these services. The Senior Executives of AICS have also been appointed as officers of the Company and their details are set out in the Annual Report.

Pre-appointment Checks and AGMs

Prior to their appointment of a Non-Executive Director to the Board, the Board determines what pre-appointment checks are appropriate to be undertaken in the circumstances.

All material information in the Company's possession relevant to a decision on whether or not to elect or re-elect each Director standing for election or re-election are included in the explanatory notes of the Notice of Annual General Meeting.

Agreements

All of the Directors have entered into an agreement with the Company in respect of their appointment, including access to documents, Director's indemnity against liability, Directors' and Officers' insurance, conflicts of interests, taking independent professional advice and dealing in the Company's securities.

Company Secretary

The Company Secretary's details and experience appear in the 2026 Annual Report. While the Company Secretary is an employee of AICS, he is accountable to the Company's Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Diversity

The Board recognises that having a diverse Board will assist it in effectively carrying out its role in meeting the Company's Corporate Objective.

The Board views diversity as including, but not being limited to, skills, qualifications, experience, gender, race, age, disability, ethnicity and cultural background.

The Board has established a Board Diversity Policy that is available on the Company's website.

When the Board is looking for an additional member, the overarching priority will be to appoint an individual who will provide the Company with the best opportunity to meet its Corporate Objective. Pursuant to the policy, the Board has a measurable objective to achieve balanced gender representation on the Board within four years.

AMCIL Board Composition as of 30 June 2026

	Male	Female
Board (including Managing Director)	5	1
Other Senior Executives	3	0

Performance Assessments

Non-Executive Directors

The performance of the Board, its Committees and individual Directors is the subject of continuous oversight by the Chairman and the Board as a whole. The Non-Executive Directors meet regularly in the absence of the Managing Director and management and discuss such issues in that forum and these meetings have occurred during the year.

In order to provide a specific opportunity for performance matters to be discussed with each Director, the Board has established a Director review process. The Chairman meets with each Director individually to discuss issues including performance and effectiveness of the Board as a whole, Board Committees, individual Directors, the Managing Director and Senior Executives.

Given the size of the Company and the Board, the Board believes this to be an appropriate method of evaluation.

Management

The Board continuously reviews the performance of AICS, under the leadership of the Managing Director, in providing services to the Company. Separate evaluations of the performance of individual Senior Executives are carried out by AICS. As set out in Principle 8 below, performance of the provision of services to the Company is one of the measures used in determining the Managing Director's and other Senior Executives' annual incentive. Evaluations under this process were carried out during the financial year.

The Board believes that the Company is fully compliant with Principle 1 and its recommendations.

Corporate Governance Statement 2026 continued

Principle 2: Structure the Board to be Effective and add Value

This Principle requires the Company to have a Board of appropriate size and collectively have the skills, commitment and knowledge of the Company and the industry in which it operates to enable it to discharge its duties effectively and add value.

The Board

As at the 30 June 2026 the Board comprised of a Non-Executive Chairman (RH Myer), Managing Director (RM Freeman) and four Non-Executive Directors (RG Brown, PJ Dwyer, MJ Hirst and JJ Webster). The Directors' Report contained within the Annual Report sets out the details of the skills, experience, and expertise of each Director.

The roles of the Chairman and Managing Director are separate. The role of the Managing Director is set out under Principle 1, above.

The role of the Chairman is set out in the Board charter, and includes being responsible for:

- the business of the Board, taking into account the issues and the concerns of all Directors and the requirements of the Board charter;
- the leadership and conduct of Board and Company meetings to be in accordance with the agreed agenda, the Company's Corporate Objective and Principles of Conduct (described under Principle 3, below); and
- encouraging active engagement by Directors and an open and constructive relationship between the Board and the Managing Director and Senior Executives.

The Chairman also has the authority to act and speak for the Board between meetings, subject to any agreed consultation processes.

Appointment and Re-election

Due to the size of the Company, the Board has not established a formal Nomination Committee and the functions of a Nomination Committee, including reviewing Board and Committee composition and reviewing potential Board candidates, are undertaken by the full Board, led by the Chairman.

The Company's constitution provides that each Non-Executive Director must seek re-election by shareholders at least every three years if they wish to remain a Director. Any new Non-Executive Director appointed by the Board must seek election by shareholders at the next Annual General Meeting of the Company. This approach is consistent with the ASX Listing Rules.

To assist Directors to fully meet their responsibilities to bring an independent view to matters coming before them, the Board has agreed upon a procedure in appropriate situations for Directors to take independent professional advice, at the expense of the Company, after advising the Chairman of their intention to do so. This is in relation to carrying out their duties as members of the Board and members of Board Committees.

On appointment, new Directors participate in an induction program which includes meeting with Senior Executives of the Company to fully understand their areas of expertise and responsibility within the Company. Directors undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their role effectively, including by receiving regular reports updating Directors with legal, regulatory, governance and financial developments, both in Australia and internationally, that could impact either the Company, the companies that AMCIL invests in, or their roles as Directors of AMCIL and other companies. Directors are also invited to attend meetings the Company arranges with investee companies and subject matter experts on various business and economic issues.

Nomination Committee

Given the size of the Company and the nature of its operations, the functions of a Nomination Committee are carried out by the entire Board.

Skills Matrix

The Board has determined that, in terms of the mix of skills and diversity it is looking for in its own membership, it is best served by having a mix of individuals with deep expertise and a breadth of experience in the following areas:

- leading and managing successful corporations, at both Executive and Board level;
- advising successful corporations (including legal and accounting advice);
- the investment industry; and
- organisations with diverse governance and regulatory regimes (including charities, not for profits, private companies and international organisations).

The Board utilises this matrix when considering Board succession issues.

Independence

The Board reviews the independence of each of the Directors (excluding the Managing Director) on an annual basis, taking into account the factors set out in the ASX Governance Principles, including situations where an individual Director may be a partner in, controlling shareholder of, or Executive of, an entity which has a material commercial relationship with the Company.

The Company is a long term investor. When looking at the Board's composition, continuity on the Board and a Director's experience of the Company and the market it operates in through different economic cycles are important factors that are considered. The Board is firmly of the view that length of tenure is not an indication of lack of independence.

Details of the term of office held by each Director in office as at the date of this report are as follows:

RH Myer	26 years 5 months
AK Gibson	Appointed 13 July 2026 – 0 months
RG Brown	12 years 4 months
PJ Dwyer	3 years
MJ Hirst	7 years 5 months
JJ Webster	9 years 7 months

The Non-Executive Directors, being RG Brown, PJ Dwyer, MJ Hirst, RH Myer and JJ Webster, are all regarded as independent.

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Directors may also be Directors of companies in which the Company invests. Any real or potential conflicts of interest are dealt with by procedures consistent with the Corporations Act requirements which are designed to ensure that conflicted Directors do not take part in the decision-making process on relevant issues. On this basis, it is believed that their independence on all other issues is not compromised. Accordingly, the Board consists of a majority of independent Non-Executive Directors.

Directors of the Company are encouraged to have a meaningful financial interest in the Company. In this way, the Directors participate in improving shareholder value on the same basis as all other shareholders.

The Board believes that the Company is fully compliant with Principle 2 and its recommendations.

Principle 3: Act Ethically and Responsibly

Instil a Culture of Acting Lawfully, Ethically and Responsibly

This Principle requires that the Company should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.

The Board and Senior Executives are committed to maintaining the highest standards of integrity and seek to ensure the Company's activities are undertaken with efficiency, honesty and fairness. The Board and Senior executives have articulated this long-standing approach into 'Our Purpose'.

Our Purpose

Our purpose is to deliver returns from a portfolio of high quality businesses which exceed the Australian market over the medium to long term.

AMCIL's portfolio is differentiated from the general market by the fact smaller companies by market size can have an equally important impact on portfolio returns as larger companies.

We understand we are in a privileged position to be trusted with managing our shareholder's wealth given that they have worked hard to build their savings.

To deliver on this Purpose we are guided by the following qualities:

- Professionalism, Passion and Experience
- Integrity
- Respect
- Collaboration

The Company has a Securities Dealing Policy and Corporate Principles of Conduct for Directors and Senior Executives which are available on the Company's website.

Securities Dealing Policy

Under the policy, Directors, Senior Executives and any Closely Connected Person and Entities are prohibited from dealing in the Company's securities from 15 December and 15 June up to and including the calendar day after the Company's announcement of its half and full year financial results as appropriate; the opening of business on the last business day of each month up to and including the calendar day after the monthly net tangible asset per share announcement; and the duration of the pricing period for any capital management event.

In addition, they must not deal in the Company's securities for short term purposes, must not engage in short-selling of the Company's securities, and are prohibited from using the Company's securities as security for margin lending arrangements or other loans. They must also use their best endeavours to ensure they are not put in a position of conflict with the policy by virtue of having margin or other loans over other companies' securities.

Compliance with the policy is a condition of the appointment of each Senior Executive with the Company and a condition of their employment with AICS.

Corporate Principles of Conduct

The Company has adopted Corporate Principles of Conduct which outline ethical standards to be followed by Directors and Senior Executives of AMCIL when carrying out their responsibilities with a view to the Company achieving its aims.

Under the Principles, Directors and Senior Executives will:

- conduct business in good faith in the best interests of the Company with efficiency, honesty and fairness;
- perform their duties with the utmost integrity and the standard of care and diligence expected of an organisation of the highest calibre;
- treat others with dignity and respect; and
- not engage in conduct likely to have an adverse effect on the reputation of the Company.

The Corporate Principles of Conduct also set out details of how conflicts of interest should be avoided. The Company's Directors and employees must disclose to the Company any material personal interest that they or any associate may have in a matter that relates to the affairs of the Company.

Where a conflict of interest may arise, full disclosure by all interested persons must be made and appropriate arrangements followed, such that interested persons are not included in making the relevant decisions and discussions. AICS has its own comprehensive Principles of Conduct in place that covers the behaviours and actions of its employees. Compliance with those Principles is a condition of the appointment of each Senior Executive with the Company and a condition of their employment with AICS.

The Board would be informed of any material breaches of the Corporate Principles of Conduct. A copy of the Corporate Principles of Conduct is available on the Company's website.

Whistleblower Protection Policy

The Company also has in place a Whistleblower Protection Policy that establishes a formal framework within which individuals are able, in a secure way, to express their genuine concerns about unlawful behaviour or breaches of policy, free from the threat of victimisation or reprisal and on the understanding that their concerns will be investigated and that, where appropriate, action will be taken to redress the situation. The Board would be informed of any material incidents under the Whistleblower Protection Policy.

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Any individual making a report in good faith under the policy will be protected by AMCIL from any victimisation, including harassment, reprisals, discrimination or other form of detriment, as a result of making such a report. AICS also has the same policy in place covering their employees.

Anti-Bribery and Corruption Policy

The Company also has in place an Anti-Bribery and Corruption Policy that establishes the Company's prohibition of Bribery and Facilitation Payments and its approach to Political Contributions/ Donations and Gifts and Entertainment. The Board would be informed of any material incidents under the Anti-bribery and Corruption Policy. A copy of the Anti-Bribery and Corruption Policy is available on the Company's website.

The Board believes that the Company is fully compliant with Principle 3 and its recommendations.

Principle 4: Safeguard the Integrity of Corporate Reports

This Principle requires that the Company has appropriate processes to verify the integrity of its corporate reports.

Audit Committee

The Company has established an Audit Committee which comprises three members, all of whom are independent Non-Executive Directors: MJ Hirst (Chairman), PJ Dwyer and JJ Webster. Details of their qualifications are set out in the Directors Report in the Annual Report.

All members of the Audit Committee have the requisite financial experience and understanding to effectively discharge the Committee's responsibilities under its charter.

The Audit Committee normally meets three times a year and is responsible for reviewing:

- the Company's accounting policies;
- the content of financial statements;
- issues relating to the controls applied to the Company's activities;
- the conduct, effectiveness and independence of the external audit;
- risk management and related issues, including taxation risk; and
- compliance issues.

The role of the Audit Committee in respect to its oversight of risk management and related issues is set out under Principle 7.

Written Affirmations

The Board has received from the Managing Director and the Chief Financial Officer written affirmations concerning the Company's financial statements as set out in the Directors' Declaration in the 2026 Annual Report, pursuant to the *Corporations Act 2001*.

In respect of both the financial statements for the year ended 30 June 2026 and the half-year ended 31 December 2025, the Board has also received from the Managing Director and the Chief Financial Officer other written affirmations. These state 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Audit

The Company has a process to ensure the independence and competence of the Company's external auditors, and includes the Audit Committee reviewing any non-audit work to ensure that it does not conflict with audit independence. Policies relating to rotating external audit engagement partners are set by the external audit firm in accordance with the Corporations Act and international best practice requirements.

In the event that the Company decides to change the external auditors, it would enter into a competitive tender. The external auditor attends the Company's Annual General Meeting to answer questions from shareholders relevant to the audit.

The Company's external auditor audits and reviews the annual and half-year financial reports respectively. Before the release and publication of any corporate report there is a robust review process which checks that all information provided in the reports is accurate and provides a consistent and balanced message to shareholders.

The Board believes that the Company is fully compliant with Principle 4 and its recommendations.

Principle 5: Make Timely and Balanced Disclosure

This Principle requires that the Company 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.

As a listed entity, the Company has an obligation under the ASX Listing Rules to maintain an informed market in its securities.

Accordingly, the Company keeps the market advised of all information required to be disclosed under the Listing Rules, which the Company believes would or may have a material effect on the price or value of the Company's securities.

The Company has a written policy and procedures designed to ensure compliance with the ASX Listing Rules and the Corporations Act disclosure requirements and to ensure accountability at a senior management level for that compliance. The policy is publicly available on the Company's website.

The Board are asked to approve any material market announcements before release.

The Company always releases any shareholder presentation material to the ASX Market Announcements Platform ahead of the presentation.

The Board believes that the Company is fully compliant with Principle 5 and its recommendations.

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Principle 6: Respect the Rights of Security Holders

This Principle requires that the Company should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.

The Company is owned by its shareholders and the Board's primary responsibility to them is to do its utmost to meet the Company's objectives and so increase the Company's value for all shareholders. The Board's policy is to maintain active communication with shareholders as owners of the Company. The Company's website, www.amcil.com.au, contains access to ASX announcements, Annual Reports, Half-Yearly Reports, details of corporate governance practices, presentations to shareholders, NTA announcements, key date information, dividend and security issue history and relevant related material for shareholders and investors.

In addition to communicating with shareholders via the Annual Report and the non-statutory Annual and Half-Yearly Reviews, the Company holds an Annual General Meeting of shareholders to fulfil statutory requirements, to provide shareholders with the opportunity to meet with representatives of the Board and management, to learn more about the Company's activities and, particularly, to provide an opportunity to question the Board and management about any aspect of the Company's activities.

The documentation produced for the Annual General Meeting makes provision for shareholders to submit questions to the Company. In 2025 the Annual General Meeting was held via a hybrid model with shareholders able to attend the meeting in person or via an Online AGM Platform. Shareholders using the Online AGM Platform were able to vote and ask questions. All resolutions at the Annual General Meeting were decided by poll. The Company will continue to use voting by poll for all resolutions.

In addition to the Annual General Meeting, the Company held non-statutory Shareholder Information Meetings in the Australian capital cities following the half-year results. In the financial year ended 30 June 2026, shareholder meetings were held in Adelaide, Brisbane, Canberra, Melbourne, Perth, Sydney and Tasmania. The Company also held a results webcast presentation following the release of the half year results.

The Company views the holding of non-statutory meetings as being very important in terms of communicating with its shareholders as it allows shareholders around the country the opportunity to question management and Directors in an informal setting on the Company's activities and approach.

The Company also ensures, through the share registry, that shareholders have the option to communicate electronically with the Company and the share registry. The Company also maintains an email address, invest@amcil.com.au, that shareholders can communicate electronically through.

The Company also utilises a toll free telephone service, 1800 780 784, that shareholders can call to hear the latest NTA information.

The Board believes that the Company is fully compliant with Principle 6 and its recommendations.

Principle 7: Recognise and Manage Risk

This Principle requires that the Company establish a sound risk management framework and periodically reviews the effectiveness of that framework.

The Company has established and maintains a sound system of risk oversight, management and internal control. The Risk Management Framework adopted by the Company is available on the Company's website.

The framework has been developed to take into account the principles and guidelines outlined in AS/NZS ISO 31000: 2018 Risk Management – Principles and Guidelines. This approach involves establishing the context in which it operates, identifying the risks, analysing those risks, evaluating the risks, treating the risks where appropriate and monitoring, reviewing and reporting risks and the overall performance of the framework.

This process is underpinned through regular communication and consultation with key business stakeholders. AMCIL has a conservative risk appetite whilst accepting that the nature of investing in equities and other securities carries an inherent market risk. The framework forms the basis for embedding enterprise risk management within the culture of the organisation and is appropriate for the size and complexity of the Company.

The objectives of it are to:

- enable the Company to meet its obligations and objectives efficiently and reliably;
- increase the likelihood that the Company will be successful in its business operations by mitigating potentially damaging events occurring (e.g. operational risk) and maximising the results of positive events (e.g. financial position, investment strategies, etc.), through the implementation of risk management strategies;
- provide decision-makers with the means to identify risks and to determine whether the controls in place are adequate to mitigate those risks;
- provide a mechanism to assess the levels of risk that can be accepted;
- ensure that the application of risk management practices is understood by the agents, employees, officers and Directors of the Company; and a strong risk culture is well entrenched; and
- reduce the consequence and/or likelihood of potentially damaging events by regular reviews of investments and investment strategies or by transferring the impact of potentially damaging events to third parties (e.g. by insurance and contractual arrangements) for outsourced arrangements, where appropriate.

The Board is assisted in its risk management activities by the Audit Committee and coordination of risk management activities is done by the Chief Financial Officer, who reports to the Audit Committee on such matters. The framework is reviewed on an annual basis and a review was carried out during the financial year.

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There are two main areas of risk that have been identified:

- financial risk; and
- operational risk

Financial Risk

The risk of financial loss to members resulting from external or internal factors or inadequate financial controls. AICS and AMCIL further recognise the following sub-categories of financial risk:

(i) Liquidity risk – a risk that cash funds may not be available for AMCIL to meet its preferred dividend options or invest in certain market conditions without having to sell assets from its investment portfolio.

(ii) Investment risk – a risk that investment decisions may lead to sub-optimal performance.

The Investment Committee is primarily responsible for dealing with issues arising from investment risk and has delegated the administration of the portfolios to an experienced investment team provided by AICS. The Investment Committee reviews, discusses and approves all purchases and sales and other matters in connection with the maintenance of the portfolios, including the voting of proxies.

By its nature as a listed investment company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market.

Operational Risk

The Company's management is primarily responsible for recognising and managing operational risk issues such as People Risk, Information Security, Data & Technology Risk, Operational Risk and Resilience, Financial management Risk, Outsourcing Risk, Governance & Strategy Risk and Regulatory Risk This is in the context that most of AMCIL's administrative functions are provided by AICS using its systems and staff. Accordingly, risk issues associated with these activities are handled in accordance with the policies and procedures adopted by AICS for dealing with them.

The Audit Committee has specific oversight of and responsibility for management's role in identifying and responding to risk issues. The Chairman of AMCIL's Audit Committee is invited to attend meetings of the AICS Risk Management, Audit and Remuneration Committee and receives copies of all papers.

Internal Audit and Written Affirmation from AICS

The Company has received a report from AICS outlining the control objectives for AICS and the specific policies and procedures established to meet these procedures. These policies include management oversight, segregation of duties, multiple sign-offs and specific authorisation levels. AICS has stated that these have been in place throughout the financial year, and have been effective in meeting the control objectives.

While the Company does not have its own internal audit function, AICS has appointed Ernst & Young as its internal auditor. The Company has received a report from Ernst & Young, under the requirements of Auditing Standard on Assurance Engagements ASAE 3150 'Assurance Engagements on Controls' stating their opinion that, in all material respects, the internal controls put in place by AICS in relation to Investment Management and Administration Operations for this financial year are suitably designed to meet the control objectives and have operated effectively for this financial year.

Economic, Environmental and Social Risks

Economic risk is principally dealt with under Investment Risk, above. In respect of environmental and social risks, the Company utilises AICS staff and AICS' office space for meetings, so is not subject to material direct environmental and social sustainability risks. AICS has resources to identify if any legal environmental issues arise that need to be considered by AICS and the Company going forward.

Investment Philosophy

Our investment philosophy is built on taking a medium to long term view on companies in a diversified portfolio with an emphasis on identifying and investing in quality companies that are likely to sustainably grow their earnings and dividends over this time frame.

Quality in this context is an outcome of our assessment of the following factors:

1. We prefer companies that have a leadership position or are developing one within the industry in which they operate. This will often mean we are investing in a unique set of assets with competitive advantages that produces attractive returns on invested capital.
2. As a long term, tax aware investor we seek to be in companies that have a long-term sustainable business model, with low risk of disruption. This helps to ensure portfolio turnover remains low. The analysis may consider technological disruption, environmental issues, including the impact of climate change, and social risks as all of these factors can have a material impact on the assessment of a company's long-term sustainability.
3. We consider how a company's business can be potentially impacted by influences outside the control of management such as change in government regulation and or policy.
4. We are attracted to companies with outstanding management teams and boards with strong governance processes, whose interests are closely aligned with shareholders, and act in the best interest of all their stakeholders, including their employees, customers, suppliers and wider communities. We consider matters including safety, diversity, social impacts, environmental impact, and modern slavery where material or appropriate in the context of that company. We regularly review and meet with companies to ensure ongoing alignment with our investment frameworks. Our process may include an assessment of the Board in terms of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also consider a company's degree of transparency and disclosure.

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Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk. We take input from proxy advisers but conduct our own evaluation of the merits of any resolution. We vote on all company resolutions as part of our regular engagement with the companies in the portfolio and our voting record is on the Company's website. We actively engage with companies when we are concerned about resolutions that are not aligned with shareholders' interests. We seek to stay engaged with the companies and satisfy ourselves that any issues are taken seriously and worked through constructively. Ideally we seek to remain invested to influence a satisfactory outcome for stakeholders.

5. We prefer companies with more stable income flows. We are wary of companies that have large, inconsistent profit streams.
6. We like our companies to be financially strong and the assessment of the balance sheet and the degree to which the company is self-funding is critical in our analysis. Cash generation is also an important consideration.

Analysis of the above factors help to inform us of the structure of the industry and a company's sustainable competitive position as well as the quality of the people running the business, strength of the balance sheet and consistency of earnings. Within this analysis some key financial metrics are considered. These include return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow generation.

Alongside the assessment of quality is an analysis of the ability of companies to grow earnings over time, which ultimately should drive dividend growth.

Recognising value is also an important aspect of sound long term investing. Short term measures such as the price earnings ratio, price to book or price to sales may be of some value but aren't necessarily strong predictors of future performance. Our assessment of value tries to capture the opportunity a business has to prosper and thrive over the medium to long term.

Reporting of social and environmental issues is being influenced by the development of climate related disclosures as required by Australian Corporate Legislation. Their introduction in Australia should enable investors over time to better make informed decisions on these issues based on company disclosures arising from these standards. Assessment of commitments and plans by companies to reach net zero by 2050 may also be considered having regard to several factors. These include the industry in which they operate, progress against their plans, their broader contribution to social good in addressing the challenge of reducing global carbon emissions, and the impact on their value if they fail to achieve their stated goals. In applying external data for benchmarking*, the current carbon intensity of AMCIL's portfolio is less than the S&P/ASX 200 Index.

In building the investment portfolio with the principles outlined, we believe we can offer investors a portfolio of quality companies structured to deliver total returns ahead of the Australian equity market over the long term.

* Data provided by ISS ESG. Portfolio at 30 June 2026.

The Board believes that the Company is fully compliant with Principle 7 and its recommendations.

Principle 8: Remunerate Fairly and Responsibly

This Principle requires that the Company 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 and with the Company's values and risk appetite.

The Board has not established a Remuneration Committee given the size of the Company and the nature of its activities. Other than the Board members, the Company has no formal employees. The Board is able to deal with matters relating to the remuneration of Directors itself and a separate Remuneration Committee is not considered necessary.

Directors' Remuneration

The Constitution of AMCIL requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors together with such factors as the general level of fees paid to Australian corporate directors.

The amount of remuneration for each Director excludes amounts that were owing to them when the Directors' retirement allowances were frozen at 31 December 2003.

Non-Executive Directors do not receive any performance-based remuneration.

Corporate Governance Statement 2026 continued

Management Remuneration Approach

During the year the Company announced the retirement of RM Freeman on the 30 June 2026 and the appointment of Ms A Gibson from 13 July 2026. Ms Gibson is made available as Managing Director of AMCIL by AICS. The costs relating to the provision of Mr Freeman and Ms Gibson as Managing Director of the Company by AICS are fully covered by the general management fee charged by AICS.

As part of their remuneration arrangements with AICS, the Managing Director, Senior Executives and Investment Team receive an 'at risk' component determined by AICS which is based on performance. The performance criteria include quantitative and qualitative assessments which include, among other things, the services that AICS has provided to AMCIL and for which AICS is paid. Full details of Senior Executive remuneration can be found each year in the Annual Report of Australian Foundation Investment Company Limited (AFIC), which owns 75 per cent of the capital of AICS. This can be found at www.afi.com.au/company-reports.

The Company does not have any equity-based remuneration schemes, and so there is no need to have a policy around prohibiting transactions which limit the economic risk of participating in such schemes. AFIC and AICS, however, do have policies which prohibit such transactions by AICS Senior Executives, and these are disclosed.

The Board believes that the Company is fully compliant with Principle 8 and its recommendations.

Approved by the Board of AMCIL Limited

Date: 28 July 2026