

Booktopia Group Limited 2022 Corporate Governance Statement

Booktopia Group Limited (**Booktopia**) (the **Company** or the **Group**), and its Board of Directors (**Board**) are committed to maintaining and promoting good corporate governance practices within the Booktopia Group for the benefit of stakeholders and the broader community.

The Board is responsible for the overall operation and stewardship of the Company and provides input to and approval of the Company's strategic direction and budgets as developed by management.

In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The main corporate governance policies and practices adopted by Booktopia are summarized in this Corporate Governance Statement (**Statement**).

This Statement:

- reports against the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in this Statement are current as at 28 October 2022; and
- Has been approved by the Board and is available at [Booktopia | Investor Centre](#).

Principle 1: Lay solid foundations for management and oversight

Board Charter and Roles of Board and Management

The Board is responsible for the overall operation and stewardship of the Company and, in particular, for the long-term growth and profitability of the Company, the strategies, policies and financial objectives of the Company, and for monitoring the implementation of those policies, strategies and financial objectives.

The Board has adopted a written charter to provide a framework for the effective operation of the Board. The Charter governs the operations of the Board. It sets out the Board's composition, structure and membership requirements, role and responsibilities and the relationship with management. The Board charter is available at [Booktopia | Investor Centre](#).

In performing the responsibilities set out in the Charter, the Board acts at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by the Company's constitution and by law.

The role of the Board includes:

- approving the Company's strategic direction and budgets as developed by management;

- approving and monitoring capital management and major capital expenditure, acquisitions and divestments;
- ensuring the Company has in place an appropriate risk management framework and establishing the acceptable levels of risk within which the Board expects the management of the Company to operate, which may include economic, environmental and social sustainability risks, as well as operational, financial and strategic risks;
- reviewing and ratifying the Company's systems of internal compliance and control, risk management frameworks and legal compliance systems, to determine the integrity and effectiveness of those systems;
- approving and monitoring material internal and external financial and other reporting;
- appointing Directors and the Chair, appointing and removing the Managing Director and the Company Secretary and undertaking an annual evaluation of the performance of the Board, each Board Committee and individual Directors;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- developing a Board skills matrix which sets out the mix of skills, expertise, experience and diversity that the Board currently has or is looking to achieve in its membership; and
- approving the Company's values and Code of Conduct, and monitoring corporate culture, and setting and reviewing the Company's governance policies.

Delegations to Committees and Management

The role of the Board includes establishing such committees of the Board as may be appropriate to streamline the discharge of its responsibilities. The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis.

The Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee.

Each Committee has its own charter describing its role and responsibilities, composition, structure and membership requirements. The Committee Charters are reviewed periodically or as is required.

The Board will undertake an annual performance evaluation of each Board committee that compares the performance of the Board committee with the requirements of the relevant Board committee charter, setting forth the goals and objectives of the Board committee for the upcoming year and effecting any amendments to the relevant charter considered necessary or desirable.

The Board Charter, Charters of each Board Committee Charters and the Constitution are available at [Booktopia | Investor Centre](#).

The Chief Executive Officer is responsible for running the day to day affairs of the Company under delegated authority from the Board and for implementing the policies and strategy set by the Board. In carrying out the managing director's responsibilities, the Chief Executive Officer must ensure that the Board is provided with accurate information in a timely and clear manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results. The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Appointment of Directors and Senior Executives

Before a director or senior executive is appointed, the Company undertakes appropriate checks to consider their suitability. These checks include, but are not limited to, the candidate's qualifications, experience, education, character and background checks, including bankruptcy history and criminal record.

Directors available for re-election at a general meeting are reviewed by the Remuneration and Nomination Committee and recommended to the Board. Directors are re-elected in accordance with the Company's Constitution and the ASX Listing Rules.

When a candidate is standing for election or re-election as a director by shareholders, the notice of meeting contains information on the candidate including:

- biographical details, including their relevant qualifications and experience and the skills they bring to the board;
- details of other material directorships held by the candidate;
- a statement as to the independence of the candidate;
- the term of office currently served by the Director; and
- where relevant, a recommendation by the Board as to whether it supports the election or re-election of the candidate.

When appointing new directors, the Board and the Remuneration and Nomination Committee look to ensure that an appropriate mix of skills, expertise, experience and diversity is maintained.

In the case of a candidate standing for election as a director for the first time, the notice of meeting will contain the following additional information:

- details of any interest, position association or relationship that might impact on the ability of the director to be independent; and
- details of any adverse information revealed as part of the checks performed about the director.

As part of the director selection process, candidates are required to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that they will have adequate time to fulfil his or her responsibilities as a non-executive director of Booktopia.

Written Terms of Appointment

The Company has entered into a letter of appointment with each of its non-executive directors and a written service agreement with each of its senior executives.

The non-executive director Letter of Appointment sets out:

- the term of appointment;
- the time commitment envisaged, including any expectations regarding involvement with Committee work and any other special duties attaching to the position;
- remuneration, including superannuation entitlements;
- the requirement to disclose directors' interests and any matters which may affect the Director's independence;

- the requirement to comply with key corporate policies, including Booktopia's Code of Conduct and its Securities Trading Policy;
- the Company's policy on when directors may seek independent professional advice at the expense of the Company (which generally should be whenever directors, especially non-executive directors, judge such advice necessary for them to discharge their responsibilities as directors);
- the circumstances in which the director's office becomes vacant;
- indemnity and insurance arrangements;
- ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

In the case of senior executives, each service agreement sets out the information above (to the extent applicable), as well as:

- a description of their position, duties and responsibilities;
- the person or body to whom they report;
- the circumstances in which their service may be terminated (with or without notice);
- any entitlements on termination; and
- any circumstances in which their remuneration may be clawed back.

Company Secretaries

The Board is responsible for the appointment or removal of Company Secretaries.

The Board Charter provides that the Company Secretaries are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretaries are also responsible for advising the Board, through the chair, on all governance matters, as well as helping to organise and facilitate the induction and professional development of directors, as required. All directors have direct access to the Company Secretaries to discuss matters at any time.

The names of the Company's two joint Company Secretaries and their skills, experience and qualifications are contained in the Annual Report.

Diversity

The Company values and is proud of its strong and diverse workforce and is committed to supporting and further developing this diversity through attracting, recruiting, engaging and retaining diverse talent and aligning the Company's culture and management systems with this commitment. The Board has approved a Diversity Policy in order to set out its commitment to providing and promoting a corporate culture which embraces diversity.

The Diversity Policy is available at [Booktopia | Investor Centre](#).

The Company is committed to providing and promoting a corporate culture which embraces diversity in line with the Diversity Policy Statement, and aims to do so via:

- promoting the principles of merit and fairness when making decisions about recruitment, development, promotion, remuneration and flexible work arrangements;

- having an overall transparent process for the review and appointment of senior management positions and Board members;
- recruiting from a diverse pool of qualified candidates, where appropriate engaging a professional search / recruitment firm, advertising vacancies widely, making efforts to identify prospective employees who have diversity attributes and ensuring diversity of members on the selection / interview panel when selecting and appointing new employees (including senior management) and new Board members;
- embedding the importance of diversity within the Company's culture by encouraging and fostering a commitment to diversity by leaders at all levels whilst recognising that diversity is the responsibility of all employees;
- recognising that employees may have family responsibilities;
- reinforcing with our people that in order to have a properly functioning and diverse workplace, discrimination, harassment, vilification and victimisation will not be tolerated within the Company; and
- continuing to review and develop policies and procedures to ensure diversity within the organisation, including with the adoption of key performance indicators for senior executives to measure the achievement of diversity objectives under the Company's diversity policy.

To achieve these objectives, Booktopia has established measurable objectives for achieving gender diversity, as approved by the Board and will continue to report on these objectives on an annual basis.

Booktopia has also established a management Environmental, Social and Governance Committee which is currently chaired by independent non-executive Director, Judy Slatyer. This Committee meets on a regular basis to discuss, amongst other things, the Company's commitment to diversity and inclusion across the organization.

Gender Diversity Targets

Booktopia has an overall organisation gender diversity target of 40:40:20 (namely 40% female, 40% male and 20% open) and the Company will continue to review these objectives to ensure they remain appropriate and relevant.

The overall organisation gender diversity target of 40% has been met and the current target of 40:40:20 at all senior management levels continues for FY23.

Female employees as a percentage of workforce participation as at 30 June 2022:

Group	FY22 % women	FY21 % women	Target % women
Non-executive Directors	50%	50%	40%
Board of Directors overall	33.3%	28.6%	40%
Executive Team	30%	22.2%	40%

Management Team	45%	50%	40%
Overall	51.24%	51.69%	40%

Definitions:

Executive Team: direct reports to the CEO

Management Team: executives two levels below the CEO

Overall: includes casual staff and excludes non-executive directors and independent contractors

Note: all data is non-cumulative and is calculated on the number of employees in each level.

Board Performance Evaluation

The Remuneration and Nomination Committee is responsible for establishing the processes for reviewing the performance of individual directors, the Board as a whole and its Committees.

During the year ended 30 June 2022, the Booktopia Board conducted a review of the Board and each director, each Committee and the Chairman's performance. The findings of these reviews will be used to enhance the Board and governance process.

Senior Executive Performance Evaluation

The Board, in conjunction with the Remuneration and Nomination Committee, is responsible for approving the performance objectives and measures for the Chief Executive Officer and key management and providing input into the evaluation of performance against these objectives. The key performance indicators for senior executives and executive Directors are set annually in collaboration with the Chief Executive Officer. At least annually, one-on-one performance evaluations are undertaken with senior executives and executive Directors to assess whether they have met their key performance indicators set in the preceding year. Any issues that may emerge from that review process are addressed in a timely manner.

Performance evaluations for the Chief Executive Officer and senior executives and executive Directors for the financial year ended 30 June 2022 were conducted following the end of the financial year in line with the above process.

Principle 2: Structure the Board to be effective and add value

Overview of the Board and Board Committees

The Board of Directors of Booktopia is currently comprised of five Directors in total (three Independent Directors and two executive Directors) as follows:

- Chris Beare, Chairman and Independent Non-executive Director
- Tony Nash, Executive Director
- Fiona Pak-Poy, Independent Non-executive Director
- Judy Slatyer, Independent Non-executive Director
- Steven Traurig, Executive Director

Detailed biographies of the current Board members, their skills and expertise are provided in the 2022 Annual Report along with Directors who were Directors of Booktopia during the whole of the financial year.

During the relevant period, the following changes to the Booktopia Board took place:

- The resignation of Marina Go, effective on 31 March 2022;
- The appointment of Judy Slatyer effective on 14 April 2022;
- The resignation of Wayne Baskin effective on 15 June 2022; and
- The resignation of Su-Ming Wong effective on 20 September 2022.

In addition, Tony Nash ceased to be Managing Director of Booktopia effective on 13 July 2022 but remains an Executive Director.

As announced to the ASX on 20 September 2022, each of Fiona Pak-Poy, Judy Slatyer and Chris Beare will resign as Directors as of the date of the AGM (28 November 2022). A search firm has been appointed to undertake a search for a new Chair and an additional non-executive Director. The Company will make further announcements in due course about the appointment(s) of any new Directors.

The Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee.

Each Committee has its own charter describing its role and responsibilities, composition, structure and membership requirements. The Committee Charters are reviewed periodically or as required.

The Board Charter, Charters of each Board Committee Charters and the Constitution are available at [Booktopia | Investor Centre](#).

Nomination Committee

The Board has established a Remuneration and Nomination Committee to ensure that the Company:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgment to decisions regarding the composition of the Board;
- has coherent remuneration policies and practices to attract and retain directors and senior executives who will create value for shareholders;
- observes those remuneration policies and practices; and

- fairly and responsibly rewards Group Executives having regard to the performance of the Group, the performance of the Group Executives and the general external pay environment.

The Remuneration and Nomination Committee's charter provides that the committee must consist of only Non-executive Directors, a majority of independent Directors, a minimum of three members of the Board, and an independent Director as chair. The Remuneration and Nomination Committee does not currently meet the requirement to consist of only Non-executive Directors (as set out in the charter) but it is the current intention of the Board to comply with the requirements of the charter as soon as possible.

The Committee currently comprises:

- Chris Beare (Chair);
- Judy Slatyer; and
- Tony Nash.

In its function as a nominations committee, the Committee assists the Board in fulfilling its corporate governance responsibilities in regard to:

- Board performance;
- Board and Committee membership;
- directors' induction and continuing development;
- Board succession issues and planning and succession plans of the Chief Executive Officer, senior executives and executive Directors;
- the process for recruiting a new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment; and
- the Board's 'skills matrix', including assisting the Board to develop and regularly reviewing its Board skills matrix and identifying any gaps in the collective skills of the Board that should be addressed as part of the Company's professional development initiatives for Directors; and
- strategies to address Board diversity.

For details of the number of meetings and the attendance at those meetings by Committee members, refer to the Directors' Report in the Annual Report 2022.

The Committee Charter is available at [Booktopia | Investor Centre](#).

Board Skills Matrix

The composition of the Board is reviewed on an annual basis by the Remuneration and Nomination Committee to ensure that the Board has the appropriate mix of skills, expertise and experience necessary to fulfil its function effectively. The annual review is facilitated by considering a Board skills matrix developed by the Committee that provides an overview of the directors' skills measured against a range of skills, competencies and experience sought by the Board which have been developed based on:

- the Company's strategic priorities and objectives;
- current issues and challenges; and
- current and future business requirements.

The Board has determined that the following skills and experience are necessary for the Board, as a whole to have. On the basis of the results of the skills matrix, all these skills and personal qualities are present on the Board.

Skill / Experience / Competency – required skills	Board
1. Industry & business knowledge	✓
2. Product knowledge	✓
3. Information technology	✓
4. Logistics	✓
5. Innovation	✓
6. Internet marketing	✓
7. Leadership and commercial acumen	✓
8. Accounting and financial	✓
9. Risk & Compliance	✓
10. Strategy Development and implementation	✓
11. Corporate Governance	✓
12. Technology & digital	✓
13. People (including remuneration), culture and conduct	✓
14. Stakeholder engagement	✓

The Board also takes into account personal qualities such as

1. Integrity	✓
2. Curiosity & courage	✓
3. Interpersonal skills	✓
4. Genuine interest	✓
5. Instinct	✓
6. Being an active contributor	✓
7. Board tenure	✓
8. Age	✓

9. Gender	✓
10. Race/ethnicity	✓
11. Geographic location	✓

Director Independence

The Board considers a Director to be independent where he or she is free of any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than an individual shareholder or other party. The Board reviews the independence of each Non-Executive Director in light of information disclosed to the Board.

The Board Charter sets out guidelines to assist in considering the independence of Directors and has adopted a definition of independence that is based on the ASX Principles.

The Board considers that each of Chris Beare, Fiona Pak-Poy and Judy Slatyer is free from any interest, position or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party and is able to fulfil the role of an Independent Director for the purpose of the ASX Principles.

Tony Nash is not considered by the Board to be an independent Director given his former role as Chief Executive Officer of the Company. Steven Traurig is not considered by the Board to be an independent Director given his current role as Chief Commercial Officer.

The Chairman is an independent non-executive director and there is a clear division of responsibility between the Chairman and the Chief Executive Officer. The role of the Chairman and the Chief Executive Officer may not be exercised by the same individual.

If a director is or becomes aware of any information, facts or circumstances that will or may affect his or her independence, the director must immediately disclose all relevant details in writing to the Company Secretary and the Chairman.

The independence status of each Director as well as tenure appears below:

Director	Independence status	Appointment date	Tenure as at date of CGS
Chris Beare (Chair)	Independent Chair Independent non-executive Director	06-10-2017	5 years
Tony Nash	Not independent as a result of his former role as CEO	16-05-2016	6 years
Fiona Pak-Poy	Independent non-executive Director	15-09-2020	2 years
Judy Slatyer	Independent non-executive Director	14-04-2022	Less than 1 year
Steven Traurig	Not independent as Chief Commercial Officer	16-05-2016	6 years

For details of the current directors, their qualifications, skills and experience refer to *Information on Directors* in the Directors' Report.

Director Induction, Training and Professional Development

The Remuneration and Nomination Committee is responsible for implementing an effective training and education program for all new and existing directors. The Committee is required to regularly review the effectiveness of the program to ensure directors maintain the skills and knowledge required to perform their role effectively.

Any new directors will undergo a formal induction program in which they are given a full briefing on Booktopia, its operations and the industry in which it operates. Where possible, this will include meetings with key executives, tours of premises, provision of a due diligence package and presentations from Management. Furthermore, to achieve continuing improvement in Board performance, all directors are encouraged to undergo regular professional development. This process was undertaken when the Directors were appointed prior to the IPO.

Subject to consultation with the Chairman, directors may in appropriate circumstances access independent professional advice at the Company's expense in order to carry out their Board duties.

Principles 3: Instil a culture of acting lawfully, ethically and responsibly

Values and Code of Conduct

The Company is committed to maintaining ethical standards in the conduct of its business activities. Accordingly, the Board has adopted a formal Code of Conduct which clearly states the standards of responsibility and ethical conduct expected of Directors and employee of the Company.

Acting ethically and responsibly goes well beyond mere compliance with legal obligations and involves acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors in the broader community. It includes being, and being seen to be, a 'good corporate citizen', for example by:

- respecting the human rights of its employees;
- creating a safe and non-discriminatory workplace;
- dealing honestly and fairly with suppliers and customers;
- acting responsibly towards the environment; and
- only dealing with business partners who demonstrate similar ethical and responsible business practices.

The Code of Conduct covers the following areas:

- compliance with laws and regulations;
- the Company's business ethics; and
- Business and personal conduct.

The Code of Conduct requires Directors and employees, where relevant and to the extent possible, consultants, secondees and contractors of the Company, to adhere to the law and various policies of the Company referred to in the Code of Conduct.

The Code of Conduct is not a prescriptive set of rules for business behavior but rather a practical set of principles giving direction and reflecting the Company's approach to business conduct. Any material breaches of the Code of Conduct are reported to the Board.

The Code of Conduct is available at [Booktopia | Investor Centre](#).

Whistleblower Policy

The Company has adopted a Whistleblower Policy to encourage people to raise any concerns and report instances of reportable conduct where there are reasonable grounds to support such action, without fear of intimidation, disadvantage or reprisal.

The purpose of the Whistleblower Policy is to:

- outline the mechanisms for the reporting and investigation of reported matters;
- outline the measures in place to protect a whistleblower; and
- promote a workplace environment in which everyone feels safe, supported and encouraged to make reports about reportable conduct.

Any material breaches of the Whistleblower Policy are reported to the Board.

Anti-Bribery and Corruption Policy

The Company is committed to acting ethically and has zero tolerance for bribery and corruption. The Company has developed an Anti-bribery and Corruption Policy for countering bribery and corruption.

The Anti-bribery and Corruption Policy applies to the Company and all subsidiary and affiliate companies over which it exercises control and all directors, officers and employees of the Company (which includes temporary employees, contract staff and consultants). The Company also expects that its business partners (including individuals and corporate entities associated with the Company, who act for or on behalf of the Company, or perform functions in relation to the Company) will comply with the Anti-bribery and Corruption Policy, to the extent they do not have their own policies managing bribery and corruption risk.

The Anti-bribery and Corruption Policy requires that personnel and business partners of the Company must not pay, offer, promise or accept, directly or indirectly, any bribe, kickback, secret commission, facilitation payment, or other form of improper payment, or otherwise breach relevant anti-corruption laws.

The Anti-bribery and Corruption Policy also requires that personnel and business partners of the Company must not:

- make political donations on behalf of the Company;
- make any charitable or community donations or sponsorships which are or could be perceived as bribes or otherwise in a manner contrary to the Anti-bribery and Corruption Policy;
- offer, provide or accept gifts, hospitality or travel in a manner contrary to the Anti-bribery and Corruption Policy;

- engage or deal with a business partner in a manner contrary to the Anti-bribery and Corruption Policy;
- enter new business ventures or invest in new companies or countries in a manner contrary to the Anti-bribery and Corruption Policy;
- falsify or mis-describe any book, record or account relating to the Company's business. All receipts and expenditures must be supported by documents that describe them accurately and properly; or
- cause or authorise any of the above conduct or any other conduct which is inconsistent with the Anti-bribery and Corruption Policy or any anti-corruption laws.

Any material breaches of the Anti-Bribery and Corruption Policy are reported to the Board.

Principle 4: Safeguard the integrity of corporate reports

Audit Committee

The Board has established an Audit and Risk Management Committee to ensure that the Company fulfils its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the internal and external audit process.

The Audit and Risk Management Committee's charter provides that the committee must comprise of only Non-executive Directors, a majority of independent Directors, an independent chair who is not Chairman of the Board, and a minimum of three members of the Board. The Audit and Risk Management Committee does not currently meet the requirement to consist of only Non-executive Directors (as set out in the charter) but it is the current intention of the Board to comply with the requirements of the charter as soon as possible.

The Committee currently comprises:

- Fiona Pak-Poy (Chair);
- Chris Beare; and
- Steven Traurig.

The Audit and Risk Management Committee may invite such other persons (for example, staff, Managing Director/CEO, CFO, external parties) to its meetings, as it deems necessary, whether on a permanent or ad hoc basis.

In its function as an audit committee, the Committee meets regularly to assist the Board in fulfilling its corporate governance responsibilities in regard to:

- reviewing and approving internal audit and external audit plans;
- updating the internal and external audit plans;
- reviewing and recommending to the Board any financial reports;
- reviewing reports arising from internal audit activities;
- maintaining and improving the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis); and

- providing a forum for communication between the Board and Management in relation to audit and compliance matters affecting the Group;

The Audit and Risk Management Committee is responsible for recommending to the Board the appointment, removal or replacement of the external auditor and its signing partner, the terms of appointment, any re-appointment and fees. The Committee is responsible for recommending procedures for the rotation of external audit engagement partners and annually reviewing the external auditor's performance and independence.

The Audit and Risk Management Committee is also responsible for reviewing and assessing the independence and performance of the external auditor and drafting an annual statement for inclusion in the Company's annual report as to whether the Committee is satisfied the provision of non-audit services is compatible with external auditor independence.

For details of the number of meetings and the attendance at those meetings, refer to the Directors' Report in the Annual Report 2022.

The Committee Charter is available at [Booktopia | Investor Centre](#).

CEO and CFO Declaration and Assurance

Prior to Board approval of Booktopia's half year and annual financial reports, the CEO and CFO must provide the Board with declarations required under section 295A of the Corporations Act 2001 and Recommendation 4.2 of the ASX Principles.

For the financial year ended 30 June 2022, the CEO and CFO made a declaration in accordance with section 295A of the Corporations Act 2001. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively. An equivalent declaration was made for the half year ended 31 December 2021.

Process for verification of integrity of periodic corporate reports

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

External auditor at the AGM

The Company's external auditor will attend the 2022 AGM and will be available to answer questions from shareholders at that AGM on the:

- conduct of the audit;
- preparation and content of the External Auditor's Report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

The auditor will attend all AGMs in accordance with the Corporations Act. The Board recognises that it is important for shareholders to have the opportunity to question the auditor at the AGM, as an important safeguard for the integrity of the corporate reporting process.

Principle 5: Make timely and balanced disclosure

The Company is subject to continuous disclosure obligations under the ASX Listing Rules and the Corporations Act 2001 (Cth). Subject to some limited exceptions, under the continuous disclosure requirements, the Company must immediately notify the market, through ASX, of any information which a reasonable person would expect to have a material effect on the price or value of the Company's shares.

Continuous Disclosure Policy

The Company has adopted a Continuous Disclosure Policy, prepared having regard to the ASX Principles and available at [Booktopia | Investor Centre](#). The purpose of the Continuous Disclosure Policy is to:

- reinforce the Company's commitment to its continuous disclosure obligations;
- provide shareholders and the market with timely, balanced, direct and equal access to information issued by the Company and describe the processes in place that enable the Company to do so; and
- promote investor confidence in the integrity of the Company and in the trading of its securities.

Circulation of Material Market Announcements to the Board

The Company Secretaries are responsible for circulating to the Board copies of all material ASX announcements released by the Company promptly after they have been released on the ASX Market Announcements Platform.

Investor and Analyst Presentations and Shareholder Briefings

All new and substantive investor and analyst presentations are released to the ASX Market Announcements Platform ahead of the presentation. The Company provides all ASX announcements to shareholders via a link at [Booktopia | Investor Centre](#).

Securities Trading Policy

The Company has adopted a Securities Trading Policy which regulates trading by Directors and employees of the Company and its subsidiaries in securities of the Company or other companies.

Directors and all employees must comply with the insider trading prohibitions of the Corporations Act. Any person who possesses inside information in relation to a company must not trade in securities of that company, regardless of the terms of the Securities Trading Policy or any written approval given under the Policy in respect of company securities.

In addition, the Securities Trading Policy set out certain 'prohibited periods' during which trading in Shares by the Company's Directors, officers, senior executives and certain employees and contractors is prohibited (except in exceptional circumstances with approval). Those prohibited periods are currently defined as the following periods:

- from the close of trading on ASX on the last day of the Company's financial year until the day after the release of the full year results to the ASX;
- from the close of trading on ASX on the last day of the Company's half year until the day after the release of the half yearly results to the ASX; and
- any additional periods imposed by the Board from time to time (for example when the Company is considering matters which are subject to Listing Rule 3.1A).

Outside these periods, Directors and certain restricted persons must receive prior written approval before undertaking any trading in Company securities, for any proposed dealing in Shares and, in all instances, must not trade in Company securities if they are in possession of inside information.

Directors and certain restricted persons must not hedge unvested equity remuneration or vested equity subject to holding locks and must not deal in the Company's securities on a short-term basis.

Principle 6: Respect the rights of security holders

The Company communicates openly and honestly with its shareholders and aims to keep them informed of major developments affecting the state of affairs of the Company. Booktopia is committed to giving all shareholders comprehensive, timely and equal access to information about its activities so as to enable shareholders to make informed investment decisions and effectively exercise their rights as shareholders.

Information on website

The Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. To achieve this, the Company communicates information regularly to shareholders and other stakeholders through a range of forums and publications, including the Company's website, at the annual general meeting, and through the annual report and ASX announcements.

Booktopia's website for investors is located at [Booktopia | Investor Centre](#).

Our website includes links to:

- copies of our annual reports and financial statements;
- copies of our announcements to the ASX;
- an overview of the entity's current business;
- copies of media releases issued by the Company;
- contact details for enquiries from shareholders, analysts or the media; and
- contact details for the Company and our Share Registry.

Alternatively, Company announcements can be accessed from the "Announcements" section of the ASX website (ASX code: BKG).

Shareholder Engagement and Participation

Shareholders, analysts and the media are able to call or email members of the investor relations team, ask questions and request to set up meetings, as appropriate. When results are announced, senior management gives a number of presentations to investors. The Board considers that this policy of active shareholder engagement has served shareholders well to date.

Shareholder Meetings

The Board and Management recognise that shareholders meetings are an important forum for two-way communication between the Company and its shareholders.

To encourage shareholder engagement and participation at the AGM, shareholders will have the opportunity to attend the 2022 AGM and all future AGMs, ask questions and participate in voting.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed resolutions by appointing a proxy via the proxy form accompanying the Notice of Meeting or online through the Share Registry's website. Shareholders have the opportunity to submit written questions to the Company and external auditor or make comments on the management of the Company and access AGM presentations and speeches made by the Chairman and CEO prior to the commencement of the meeting. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the AGM. The Company is cognizant of maximizing shareholder participation in the AGM, including providing an opportunity for shareholders to ask questions and will consider this when determining the format of any AGM.

Voting at Shareholder Meetings

All resolutions to be considered at the AGM in 2022 will be decided by poll rather than on a show of hands and the Board is committed to ensuring this policy continues for all future AGMs.

Electronic Communications with Shareholders

The Company's contact details are available at [Booktopia | Investor Centre](#).

Shareholders can submit an electronic query to the Company via its website, email the Company at investors@booktopia.com.au or contact our Share Registry at registrars@linkmarketservices.com.au.

Shareholders may nominate the option to receive all shareholder communications (including notification that the Annual Report is available to view, Notices of Meeting and Payment Statements) by email.

Principle 7: Recognise and manage risk

Risk Committee

The Board has established an Audit and Risk Management Committee to ensure that the Company fulfils its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the internal and external audit process.

The Audit and Risk Management Committee's charter provides that the committee must comprise of only Non-executive Directors, a majority of independent Directors, an independent chair who is not Chairman of the Board, and a minimum of three members of the Board. The Audit and Risk Management Committee does not currently meet the requirement to consist of onl Non-executive Directors (as set out in the charter) but it is the current intention of the Board to comply with the requirements of the charter as soon as possible.

The Committee currently comprises:

- Fiona Pak-Poy (Chair);
- Chris Beare; and
- Steven Traurig.

The Audit and Risk Management Committee may invite such other persons (for example, staff, Managing Director/CEO, CFO, external parties) to its meetings, as it deems necessary, whether on a permanent or ad hoc basis.

In its function as a risk committee, the Committee meets regularly to assist the Board in fulfilling its corporate governance responsibilities in regard to:

- reviewing reports arising from risk assurance activities;
- reviewing the effectiveness of the Company's compliance and risk management functions.
- promoting a culture of compliance across the Group; and
- oversight of the Company's risk management system.

For details of the number of meetings and the attendance at those meetings, refer to the Directors' Report in the Annual Report 2022.

The Committee Charter is available at [Booktopia | Investor Centre](#).

Risk Management Policy

Risk recognition and management are viewed by the Company as integral to its objectives of creating and maintaining shareholder value, and to the successful execution of the Company's strategies. The Board has adopted a risk management policy appropriate for its business. The purpose of the policy is to ensure that appropriate systems are in place to identify to the extent reasonably practicable all material risks that may impact on the Company's business and appropriate responsibilities are delegated to control the identified risks effectively.

The Board is responsible for risk oversight and the management and internal control of the processes by which risk is considered for both ongoing operations and prospective actions. In specific areas, the Board is assisted by the Audit & Risk Management Committee. The Audit & Risk Management Committee is responsible for establishing procedures which provide assurance that major business risks are identified, consistently assessed and appropriately addressed. The risk management process requires the Board to conduct regular reviews of the Company's existing risks and the identification of any new and emerging risks facing the Company, including financial and non-financial matters. It also requires the management, including mitigation where appropriate, of these risks.

The Risk Management Policy was prepared having regard to the ASX Principles and is available at [Booktopia | Investor Centre](#).

The Booktopia Risk Register is used for tracking and management of all strategic and operational level risks and is used to generate reporting to senior management and the Audit and Risk Management Committee.

Each risk has an owner, who is a senior manager in the relevant functional or business unit. In addition, each risk is assigned to an employee, a person with the right skills, knowledge and a member of the

functional area responsible to track the likelihood and potential impact, as well as define and implement risk response plans.

Management is responsible for identifying and evaluating risks within their area of responsibility, implementing agreed actions to manage risk and for reporting as well as monitoring any activity or circumstance that may give rise to new or changed risks.

As set out in the prospectus dated 2 November 2020, the key risk areas for Booktopia are:

- performance and website reliability;
- cyber security;
- operations;
- recruitment and retention of key personnel;
- finance;
- third party suppliers;
- quality in customer service;
- changes in online services and providers;
- facilities and information technology; and
- regulatory and legal compliance.

Management has reported to the Board (through the Audit and Risk Management Committee) on the effectiveness of the management of the material risks faced by the Company during FY2022. The Board and the Audit and Risk Management Committee has reviewed the risk management framework and amendments have been made as necessary. The Audit and Risk Management Committee is satisfied that it continues to be sound. This review will continue to be conducted on a regular basis.

Internal Audit Function

Booktopia does not have an independent internal audit function. Oversight of the effectiveness of Booktopia's risk management and internal control processes currently form part of the responsibilities of the CFO (for financial risks and controls) and the Chief Commercial Officer (for regulatory and risk controls).

Material Exposure to Environmental and Social Risks

The Board regularly discusses all economic, environmental and social sustainability risks that it considers are likely to have a material effect on the Company's financial performance or value over the short, medium and long term. All relevant risks are included and categorised on the Company's Risk Register and are closely monitored and analysed by the Audit and Risk Management Committee and the Board.

In response to the increasing focus on sustainability in the Australian book industry, the company has established a management Environmental, Social and Governance Committee which is chaired by independent non-executive Director, Judy Slatyer. This Committee meets on a regular basis to discuss all ESG matters applicable to Booktopia and in particular how Booktopia can reduce greenhouse emissions.

Booktopia is also committed to maintaining ethical standards in the conduct of its business, as set out in the Company's Code of Conduct available at [Booktopia | Investor Centre](#).

Booktopia lodged its 30 June 2021 Modern Slavery Statement with the Australian Border Force. This Modern Slavery Statement detailed the structure, operations and supply chain and approach Booktopia has taken to identify, address and mitigate the risks of modern slavery as part of Booktopia's efforts to promote ethical practices which minimize the risk of modern slavery in Booktopia's operations and supply chains.

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

The Board has established a Remuneration and Nomination Committee to ensure that the Company:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgment to decisions regarding the composition of the Board;
- has coherent remuneration policies and practices to attract and retain directors and senior executives who will create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards Group Executives having regard to the performance of the Group, the performance of the Group Executives and the general external pay environment.

The Remuneration and Nomination Committee's charter provides that the committee must consist of only Non-executive Directors, a majority of independent Directors, a minimum of three members of the Board, and an independent Director as chair. The Remuneration and Nomination Committee does not currently meet the requirement to consist of only Non-executive Directors (as set out in the charter) but it is the current intention of the Board to comply with the requirements of the charter as soon as possible.

The Committee currently comprises:

- Chris Beare (Chair);
- Judy Slatyer; and
- Tony Nash.

In its function as a remuneration committee, the Committee assists the Board in fulfilling its corporate governance responsibilities in regard to:

- the Company's remuneration policy, including as it applies to Directors and the process by which any pool of Directors' fees approved by shareholders is allocated to Directors;
- engaging remuneration consultants (if any);
- reviewing non-executive director remuneration;
- determining executive remuneration policies and remuneration for executives; and
- reviewing and approving all equity based incentive plans.

For details of the number of meetings and the attendance at those meetings, refer to Directors' Report in the Annual Report 2022.

The Committee Charter is available at [Booktopia | Investor Centre](#).

Remuneration Policies and Practices

In relation to remuneration issues, the Board (with the assistance of the Remuneration and Nomination Committee) has established a remuneration philosophy to ensure that it remunerates fairly and responsibly. The remuneration philosophy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees.

The Company's policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives are set out in detail in the Remuneration Report, which forms part of the 2022 Annual Report. The 2022 Annual Report is available at [Booktopia | Investor Centre](#).

The Company's policy is to remunerate non-executive directors by way of fees and payments which may be in the form of cash and superannuation benefits. Under Booktopia's Constitution, the maximum remuneration payable by the Company for the services of non-executive directors in total must not exceed the amount approved by shareholders in general meeting. The Company's broad policy in relation to the level of non-executive director's fees and payments is consistent with the market. Details of these fees and payments are set out in the Remuneration Report.

The total remuneration paid to the executive directors and other Key Management Personnel is also included in the Remuneration Report. The Report describes in detail the mix of fixed, performance based and equity-based remuneration.

Equity Based Remuneration Scheme

Booktopia has established the Booktopia Group's Long Term Incentive Plan (the **Plan**) under which eligible participants will be granted rights to receive shares at a future date provided that specific criteria are met.

All issues of securities to executive directors or their associates under the Plan are subject to shareholder approval at the AGM and are disclosed in the Annual Report.

Under the Plan and the Company's Securities Trading Policy, participants in the Plan are prohibited from hedging or otherwise limiting the economic risk of participating in the scheme, whether through the use of derivatives or otherwise. The Securities Trading Policy is available at [Booktopia | Investor Centre](#).