



# Corporate Governance Statement

The following statement is accurate and up to date as at  
30 June 2020 (unless otherwise stated)  
and was approved by the Board on 20 August 2020

**Millennium Services Group Limited**  
ABN 11 607 926 787  
(ASX:MIL)

**The Board and management of Millennium Services Group Limited (Company) are committed to the highest standards of corporate governance in order to ensure its corporate governance framework and practices meet the interests of shareholders.**

**The Company's main corporate governance practices are described below and, unless otherwise stated, were in place and complied with the ASX Corporate Governance Principles and Recommendations 3<sup>rd</sup> edition for the entire year ending 30 June 2020.**

**The Corporate Governance Statement was approved by the Board on 20 August 2020.**

The Company's corporate governance policies, charters and policies are all available on the Company's website ([www.millenniumsg.com](http://www.millenniumsg.com)) (Website).

## PRINCIPLE 1 Lay Solid Foundations for Management and Oversight

### 1.1 The roles of Board and Management

The Board is responsible for governance and provides leadership and overall strategic guidance for the Company and effective oversight of management.

The role of the Board and its ability to delegate to management is set out in the Company's Board Charter, along with other Charters and Policies of the Company, which can be found on the Company's website - [www.millenniumsg.com](http://www.millenniumsg.com).

As set out in the Charter:

- The Board's role is to provide strategic guidance and effective oversight of management.
- It is ultimately accountable to shareholders for the management and direction of management and of the business of the Company and therefore, has ultimate authority over management.
- In carrying out its role and exercising its powers, the Board must:
  - Act in accordance with the letter and spirit of the law and the Company's Constitution;
  - Act honestly, fairly and with integrity in accordance with the Company's policies, codes of conduct and ethical and other standards and in a manner which will create and develop sustainable value for shareholders; and
  - Have regard to the interests of the Company's employees, suppliers, customers or other stakeholders in the Company and the general community.

The Board's role also includes delegating appropriate functions and authority to the Chief Executive Officer (CEO) and, through the CEO, to senior management of the Company.

*Status: Millennium complies with this principle*

The Millennium Board Charter can be found at <https://millenniumsg.com/wp-content/uploads/2019/01/Millennium-Board-Charter-New.pdf>

## 1.2 Appointments to the Board and senior executive appointments

During the 2020 financial year, the Board had a Nomination and Remuneration Committee. The Nomination and Remuneration Committee's functions and powers are formalised in a Nomination and Remuneration Committee Charter, a copy of which is available on the Website.

It is the role of the Nomination and Remuneration Committee to:

- identify suitable candidates to complement the existing Board
- undertake appropriate checks on the candidate
- seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a Director

Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.

The Company provides information to shareholders about Directors seeking re-election at an annual general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including:

- their relevant qualifications and experience and the skills they bring to the Board
- details of any other listed directorships held by the Director in the preceding 3 years
- the term of office already served by the Director
- whether the Director is considered to be independent; and
- a recommendation by the Board in respect of the re-election of the Director

The Company will, in the case of a candidate standing for election as a Director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including:

- material adverse information revealed by the checks the Board has performed on the candidate
- details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on board matters or to act in the best interests of the Company and its shareholders generally
- the Board's view of whether the candidate is considered to be an independent Director; and
- a recommendation by the Board in respect of the election of the candidate

*Status: Millennium complies with this principle*

The Millennium Remuneration and Nomination Committee Charter can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Remuneration-and-Nomination-Committee-Charter.pdf>

## 1.3 Written agreements

The Company enters into written agreements with each Director and senior executive setting out the terms and conditions of their appointment.

*Status: Millennium complies with this principle*

## 1.4 The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, for:

- Ensuring the Company's compliance with corporate governance matters
- Co-ordinating the completion and dispatch of Board and Committee agendas and briefing materials as well as draft minutes of meetings of the Board and all Committees for approval at the next meeting
- Assisting with the organising and facilitation of the Induction and professional development of directors
- Ensuring the Company's compliance with all disclosure obligations and policies and procedures relating to such obligations.
- Communicating with regulatory bodies and the ASX
- Statutory and other filings

The Company Secretary's role is set out in the Board Charter, a copy of which can be found on the Website.

*Status: Millennium complies with this principle*

The Millennium Board Charter can be found at <https://millenniumsg.com/wp-content/uploads/2019/01/Millennium-Board-Charter-New.pdf>

## 1.5 Diversity

The Board has adopted a Diversity Policy to reflect its commitment to the recognition and promotion of diversity in the workplace. Amongst other matters, the Board considers 'diversity' to encompass issues such as gender, race, ethnicity, age, disability and differing cultural backgrounds.

The Board believes that pro-actively embracing diversity among its workforce helps it provide a workplace with greater employee satisfaction levels, enabling it to attract and retain quality people within the organisation, to better understand the market in which it operates, and to assist in achieving its corporate objectives.

Under the Diversity Policy, the Board establishes measurable objectives for achieving gender diversity within the Company and measures its progress in achieving those objectives annually.

As at 30 June 2020, the Company's gender diversity breakdown was as follows:

Category	% Women	% Men
Board	-	100.00%
Senior executive	15%	85%
Employees	47.13%	52.87%

Senior executives are defined as the CEO and those who directly report to him.

In accordance with the Workplace Gender Equality Act 2012, Millennium has submitted a Workplace Gender Equality Report for the 2019/20 reporting period. The submission includes details of the Company's Gender Equality Indicators and can be found on the Website.

*Status: Millennium complies with this principle*

The Company's Board Diversity Policy can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Board-Policy—Diversity.pdf>

## 1.6 Performance evaluations – Board members

The Board has adopted a Board Performance Evaluation Policy to assist the Board in its role of monitoring performance of the Board.

The Policy provides for annual evaluations of the performance of the Board and individual Directors to determine how effectively they are fulfilling their roles and duties. The evaluation is carried out by the Chairman.

Performance evaluations of all Board members were undertaken prior to 30 June 2020.

*Status: Millennium complies with this principle*

The Board Performance Evaluation Policy can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Board-Policy—Board-Performance-Evaluation.pdf>

## 1.7 Performance evaluations – senior executives

The Board, together with the Company's CEO, evaluates the performance of the Group's senior executives annually.

The Board also reviews the CEO's performance annually. Performance evaluations for the Group's senior executives and the CEO were undertaken prior to 30 June 2020.

*Status: Millennium complies with this principle*

# PRINCIPLE 2 Structure the Board to Add Value

## 2.1 Nomination Committee

During the 2020 financial year, the Board had a Nomination and Remuneration Committee, which comprised Roger Smeed (Chairman), Royce Galea and Darren Boyd. One member of the committee is an independent, non-executive director.

The number of times that the Nomination and Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.

The Nomination and Remuneration Committee's functions and powers are formalised in a Nomination and Remuneration Committee Charter, a copy of which is available on the Website.

As at the date of this Statement, the Board comprises three Directors. Given the current size of the Board, the Board, as a whole, performs the function of a Nomination Committee.

Where necessary, the Board will seek advice of external advisers in connection with the suitability of applicants for Board membership.

*Status: Millennium complies with this principle*

The Remuneration and Nomination Committee Charter can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Remuneration-and-Nomination-Committee-Charter.pdf>

## 2.2 Board skills matrix

The Board aims to be comprised of Directors which have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's responsibilities. This objective is enumerated in the Board Charter.

The Board regularly evaluates the mix of skills, experience, and diversity at the Board level, and has developed and adopted a Board skills matrix which has been tailored to the circumstances and requirements of the Company.

The skills matrix is reviewed at least annually by the Nomination and Remuneration Committee and/or the Board, to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company's circumstances and strategic priorities.

The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfil its role and in light of the Company's strategic direction
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition of the Board; and
- Identify any gaps in skills or competencies that can be addressed in future director appointments.

The key skills set out in the Board adopted matrix are as follows:

- Mergers and Acquisitions
- Strategy and Planning
- Corporate Governance and Advisory Accounting and Finance
- Risk Management
- Industry Specific Experience (cleaning / security / facilities management)
- Operations Health and Safety
- Remuneration and Incentive Schemes

*Status: Millennium complies with this principle*

## 2.3 Independent Directors

As at the date of this Statement, the Board comprised:

- Roger Smeed (Non-Executive Chairman)
- Darren Boyd (CEO and Executive Director)
- Royce Galea (Executive Director)

The Board has considered the circumstances of each Director and determined that Roger Smeed, Non- Executive Chairman is an independent Director, on the basis that he is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of his judgement. In reaching this conclusion, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.

Darren Boyd and Royce Galea are not considered to be independent Directors as they hold executive roles within the Company.

The Board will continually assess whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

The Corporations Act and monthly Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.

The length of service of each Director is set out in the Company's 2020 Annual Report.

*Status: Millennium complies with this principle*

## 2.4 Number of independent Directors on the Board

As at the date of this Statement, the Board comprised:

- Roger Smeed (Non-Executive Chairman)
- Darren Boyd (CEO and Executive Director)
- Royce Galea (Executive Director)

Roger Smeed, Non-Executive Chairman, is currently the only independent Director of the Board.

*Status: Millennium is non-complying with this principle*

It is the intention of the Board to appoint an additional independent Director in due course.

Details on the structure of the Board can be found at <https://millenniumsg.com/wp-content/uploads/2019/07/Millennium-Board-Structure25.07.2019.pdf>

## 2.5 Independent Chairman

Roger Smeed has been the Chairman of the Company since 3 October 2018 and is considered by the Board to be an independent Director. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.

The positions of Chairman and CEO are held by separate persons.

*Status: Millennium complies with this principle*

## 2.6 Induction program and training

The Company has a program for inducting new Directors and provides access to professional development and continuing education opportunities for existing Directors to develop and maintain the knowledge and skills to effectively perform their duties.

As Directors join the Board, they undertake an induction program, which includes the provision of information on the Company's core values, key strategies, objectives, as well as its governance framework and operations. New Directors also meet with key senior management to gain a better appreciation of the Group's services and capabilities.

The Board receives ongoing governance updates as required. All Directors have ongoing access to information on the Company's operations and to the Group's senior management. Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.

*Status: Millennium complies with this principle*

Details on induction and continuing education can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Board-Charter.pdf>

## PRINCIPLE 3 Act Ethically and Responsibly

### 3.1 Code of Conduct

The Company has a Code of Conduct for its Directors, Executives, and the Company Secretary. The objectives of the Code of Conduct are to guide behaviour, enhance investor confidence in the Company and to demonstrate the commitment of the Company to ethical standards and practices.

The Code of Conduct can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Code-of-Conduct-Directors-and-Officers.pdf>

The Company has a separate Code of Conduct for its employees. The Code sets out the Company's values, the Company's expectations of all employees and the Company's commitments to all its employees.

The Employee Code of Conduct Handbook can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Employee-Code-of-Conduct-Handbook.pdf>

*Status: Millennium complies with this principle*

The Company is committed to community standards, expectations and relevant legal and ethical guidelines in relation to professional behaviour. Unethical, unlawful or undesirable conduct is not tolerated and the Company is committed to the protection of its integrity, values, employee welfare and business relationships. Executive management encourages a corporate culture that supports and values the reporting of improper conduct, corruption and serious waste.

The Whistleblower Policy Statement can be found at <https://millenniumsg.com/wp-content/uploads/2019/10/MLPOL-004-20190513-Whistleblower-Policy.pdf>

The Board has also adopted an Anti-Bribery and Anti-Corruption Policy. The Policy applies to all individuals at all levels who are employed by, act for, or represent the Company. The purpose of the Policy is to prohibit any act that constitutes bribery or corruption by Company personnel, and to act in compliance with all applicable anti-bribery and anti-corruption laws in the countries in which the Company and its subsidiaries operate.

The Anti-Bribery and Anti-Corruption Policy can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Anti-Bribery-and-Anti-Corruption-Policy.pdf>

## PRINCIPLE 4 Safeguard Integrity in Corporate Reporting

### 4.1 Audit Committee

During the 2020 financial year, the Board had an Audit and Risk Committee, which comprised Roger Smeed (Chairman), Royce Galea and Darren Boyd. One member of the Committee is an independent, non-executive director.

The number of times that the Audit and Risk Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.



The Audit and Risk Committee's functions and powers are formalised in an Audit and Risk Committee Charter, a copy of which is available on the Website.

As at the date of this Statement, the Board comprises three Directors. Given the current size of the Board, the Board, as a whole, performs the function of an audit committee, and has responsibility for verifying and safeguarding the integrity of the Company's corporate reporting, including the appointment and removal of the external auditor and the rotation of the audit engagement partner.

*Status: Millennium complies with this principle*

The Audit and Risk Committee Charter can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Audit-and-Risk-Management-Committee-Charter.pdf>

## 4.2 Financial report declarations

The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.

The Board has a process to receive written assurances from the CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board does and will continue to seek these assurances prior to approving the financial statements for all half year and full year results.

*Status: Millennium complies with this principle*

## 4.3 External auditor at AGM

The Company's external auditor attends its Annual General Meetings and is available for questions from shareholders which are relevant to the audit.

*Status: Millennium complies with this principle*

# PRINCIPLE 5 Make Timely and Balanced Disclosure

## 5.1 Continuous disclosure policy

The Company has adopted a Continuous Disclosure and External Communications Policy for complying with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The purpose of the Policy is to ensure that the market is fully informed of any information concerning the Company that a reasonable person would expect to have on the price or value of the Company's securities.

Under the Policy, the Company Secretary is responsible for all communications with the ASX, including vetting all announcements to be published on the ASX market announcements platform.

*Status: Millennium complies with these principles*

The Continuous Disclosure and External Communications Policy can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Continuous-Disclosure-and-External-Com-munications-Policy.pdf>

# PRINCIPLE 6 Respect the Rights of Security Holders

## 6.1 Information on website

The Company's Website is the primary medium of providing information to all shareholders and stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.

The Website contains information relevant to shareholders and stakeholders including:

- all relevant announcements made to the market, including annual and half yearly reports;
- all corporate governance policies and charters adopted by the Board;
- information provided to analysts or media during briefings; and
- the full text of notices of meeting and explanatory material.

*Status: Millennium complies with this principle*

Copies of all corporate governance documents can be Found at <https://millenniumsg.com/investor/governance/>

Copies of ASX market announcements can be found here <https://millenniumsg.com/investor/announcements>

## 6.2 Investor relations

The Company is committed to engaging in ongoing, effective communication with its shareholders.

Since the Company's listing in November 2015, the Company's CEO and CFO have hosted conference calls for analysts and investors to discuss updated profit guidance published on the ASX announcements platform. The Company intends to continue this practice through the next reporting period where necessary.

The Company's AGM is to be held on 24 November 2020, at which members of the Board will make themselves available to shareholders to respond to any enquiries they may have.

*Status: Millennium complies with this principle*

The Company's communications with investors is also governed by the Continuous Disclosure and External Communications Policy, which can be found at: <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Continuous-Disclosure-and-External-Communications-Policy.pdf>

## 6.3 Facilitating security holders' participation

Shareholders are encouraged to attend the Company's general meetings and notice of such meetings will be given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.

The Company's Annual General Meeting in particular is an opportunity for shareholders to receive updates from the CEO and Chairman on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at annual general meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

The date, time and location of the Company's general meetings will be provided in the notices of meetings, and on the Website. Whilst shareholders are encouraged to attend meetings in person, if they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.

The Chairman of a General Meeting will ascertain the true will of the security holders attending and voting at the meeting whether they attend in person or via a proxy and will ensure the resolutions are decided by a poll rather than a show of hands when deemed appropriate.

*Status: Millennium complies with this principle*

## 6.4 Communications with security holders

Shareholders are able to communicate with the Company using a number of mediums including email.

The Company's share registry, Computershare, also allows shareholders to communicate electronically with them. The Company encourages its shareholders to receive company information electronically by registering their email addresses online with the Company's share registry.

*Status: Millennium complies with this principle*

# PRINCIPLE 7 Recognise and Manage Risk

## 7.1 Risk Committee

During the 2020 financial year, the Board had an Audit and Risk Committee, which comprised Roger Smeed (Chairman), Royce Galea and Darren Boyd. One member of the committee is an independent, non-executive director.

The number of times that the Audit and Risk Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.

The Audit and Risk Committee's functions and powers are formalised in an Audit and Risk Committee Charter, a copy of which is available on the Website.

As at the date of this Statement, the Board comprises three Directors. Given the current size of the Board, the Board, as a whole, performs the function of a risk committee, and has responsibility for overseeing the Group's risk management framework.

*Status: Millennium complies with this principle*

The Audit and Risk Committee Charter can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Audit-and-Risk-Management-Committee-Charter.pdf>

## 7.2 Review of risk management framework

The Group has established policies and procedures to identify, assess and manage all material business and operational risks. The Board has responsibility for monitoring the risk oversight and ensures the CEO and the CFO or equivalent report on the status of business risks through business risk programs aimed at ensuring risks are identified, assessed, and appropriately managed.

In addition, the Board reviews the risk management framework and policies of the Group and is satisfied that management has developed and implemented a sound system of risk management and internal control.

The Board oversees policies on risk assessment and management.

*Status: Millennium complies with this principle*

### 7.3 Internal audit function

The Company currently has an internal audit function whereby Management reviews the Group's major business units, organisational structure and accounting controls and processes on a regular basis and reports accordingly to the Board.

The Board is satisfied that the processes in place to identify the Group's material business risks are appropriate and that these risks are being effectively managed. The Group's risk management processes continue to be monitored and reported against on an ongoing basis.

*Status: Millennium complies with this principle*

### 7.4 Exposure to sustainability risks

The Board considers that the Company does not presently have a material exposure to economic, environmental or social sustainability risks.

*Status: Millennium complies with this principle*

## PRINCIPLE 8 Remunerate Fairly and Responsibly

### 8.1 Remuneration Committee

During the 2020 financial year, the Board had a Nomination and Remuneration Committee, which comprised Roger Smeed (Chairman), Royce Galea and Darren Boyd. One member of the committee is an independent, non-executive director.

The number of times that the Nomination and Remuneration Committee met throughout the financial year and the individual attendances of the members at those meetings are disclosed in the Company's Annual Report.

The Nomination and Remuneration Committee's functions and powers are formalised in a Nomination and Remuneration Committee Charter, a copy of which is available on the Website.

As at the date of this Statement, the Board comprises three Directors. Given the current size of the Board, the Board, as a whole, performs the function of a remuneration committee.

The Board, in performing the function of the remuneration committee, reviews remuneration packages and practices applicable to the CEO, Senior Executives and Directors themselves.

This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and Senior Executives.

The Board may obtain independent advice on the appropriateness of remuneration packages.

*Status: Millennium complies with this principle*

The Remuneration and Nomination Committee Charter can be found at <https://millenniumsg.com/wp-content/uploads/2018/10/Millennium-Remuneration-and-Nomination-Committee-Charter.pdf>

## 8.2 Remuneration Policy

Details of the Directors and Key Senior Executives remuneration are set out in the Remuneration Report of the Annual Report. The structure of Non-Executives Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report of the Annual Report.

*Status: Millennium complies with this principle*

Further details on the Company's remuneration policy can be found within the Prospectus at <http://millenniumsg.com/offer/>

Or per the Director's Report of the Company's Annual Report at <https://millenniumsg.com/wp-content/uploads/2019/10/MIL-2019-Annual-Report.pdf>

## 8.3 Equity-based remuneration

Equity based remuneration is made in accordance with thresholds set in plans approved by shareholders.

Participants in the incentive plans are not permitted to hedge or otherwise limit the economic risk of participating in the plans.

*Status: Millennium complies with this principle*

The Omnibus Equity Plan can be found here <https://millenniumsg.com/wp-content/uploads/2019/09/20151119-Omnibus-Equity-Plan-Rules.pdf>