

2026 Corporate Governance Statement

The Board of Directors (**Board**) of Paragon Care Limited is responsible for the overall corporate governance of the Company and its subsidiaries (**ParagonCare, Company or Group**). The Board believes that good corporate governance helps ensure the future success of the Company and adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council Principles and Recommendations (4th edition) (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website <https://paragoncare.com.au/corporate-governance> including the 2026 Annual Report, which comprises the Directors' Report, Financial Report, Remuneration Report and the Company's Sustainability Report.

This Statement is current as at 23 September 2026 and has been approved by the Board.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Role of the Board and Management

The role of the Board is to approve the strategic direction of the Group, guide and monitor the management of the Company and its businesses and oversee the implementation of appropriate corporate governance with respect to the Group's affairs. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including employees, customers, suppliers, and the wider community.

The Board has a formal Board Charter which is available on the Company's website at <https://paragoncare.com.au/corporate-governance> that clearly sets out those matters expressly reserved for the Board's determination and those matters delegated to management.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Chief Executive Officer and Managing Director (**CEO/MD**). The CEO/MD is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board maintains ultimate responsibility for strategy, control, and risk profile of the Group.

Recommendation 1.2: Appointment of Directors

The Nomination and Remuneration Committee assists the Board to facilitate the selection and appointment of directors. Before the Board appoints a new director or puts forward a candidate for election, the Nomination and Remuneration Committee (or its delegate) will ensure that appropriate background checks are undertaken.

We provide our shareholders with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a director in the notice of annual general meeting. The notice of annual general meeting includes a statement from the Board as to whether it supports an election or re-election.

Recommendation 1.3: Appointment Terms

Each director and senior executive are party to a written agreement with the Company which sets out the terms of those persons appointment, including the remuneration entitlement, declaration of any conflicts of interest as and when they arise, and performance requirements. Directors also receive a deed of indemnity, insurance, and access.

Details of executive contracts in place are detailed in the Company's Remuneration Report in the 2026 Annual Report.

Recommendation 1.4: Company Secretary

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual directors have access to the Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2026 Annual Report.

Recommendation 1.5: Diversity Policy

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. To demonstrate the Company's commitment to developing measurable objectives to achieve diversity and inclusion in its workplace, the Company has implemented a Diversity & Inclusion Policy which can be viewed at <https://paragoncare.com.au/corporate-governance>.

The Company values diversity and recognises the benefits it can bring to the Group's ability to achieve its goals. The Board sets out measurable objectives for diversity and inclusion – see below. The directors periodically review the Company's policies in the context of the principles of a Diversity Policy as outlined in Recommendation 1.5.

The Company has reported against a set of standardised gender equality indicators (GEI) provided by the Workplace Gender Equality Agency 2012 (Cth). The latest WGEA Report will be published later in the year and will be found at <https://www.wgea.gov.au/>.

The GEI indicators as at 31 May 2026 are provided here for information:

GEI 1 & 2 – Workforce and Governing Body Gender Composition (Source: WGEA Reporting as at 29/05/2026)

	Male	Female	Grand Total
Board	4	1	5
CEO	0	1	1
Managers	54	23	77
Employee	493	457	950
Grand Total	551 (53%)	482 (47%)	1,033

GEI 3 – Equal Remuneration between Men and Women (Source: WGEA Reporting as at 29/5/2026)

Average FTE Salary	Headcount - Female	Headcount - Male	% Female
Manager	23	54	30%
Professionals	25	31	45%
Technicians and Trades Workers	5	47	10%
Clerical and Administrative Workers	111	23	83%
Sales Workers	56	38	60%
Machinery Operators and Drivers	128	119	52%
Labourers	132	235	36%
Grand Total	480	547	47%

GEI 4

The Group uses employment terms, conditions and practices which support flexible working arrangements and support employees with family and caring responsibilities. A remote working policy and procedure was developed and deployed across the Group in May 2021 to offer greater flexibility of where work is to be carried out, for those roles eligible.

The workforce is balanced in terms of gender representation at the employee level. However, further analysis and review of the enablers to see greater gender balance in technical and trade workforce and manager level and above will be undertaken.

GEI 5

The Company will initiate forums and programs to enhance consultation with its workforce on a range of matters including Gender Equality in the workplace.

The Company will establish measurable objectives to ensure it leverages the diverse contributions of our people.

Objectives	Description	Status as at 30 June 2026
Gender Pay Equality	Reducing the gender pay gap for managers or non-managers by 1pp from current 3.2%.	Ongoing
Parental Leave Equality	Create an entitlement for employer-funded parental leave that does not distinguish between primary and secondary carers	Ongoing
Sexual Harassment	Mechanisms for reporting to employer's CEO, key management personnel and governing body on sexual harassment	Ongoing

GEI 6

The Group has a zero-tolerance approach and is committed to providing a safe, respectful and inclusive workplace that is free from sexual harassment, harassment on the grounds of sex and unlawful discrimination. The Board oversees a framework comprising policies, training, reporting mechanisms and risk management processes designed to prevent and respond to such conduct.

Employees have access to confidential reporting channels, and all reports are investigated promptly and fairly. The Group provides all employees with regular training and continuously works to strengthen its approach to ensure a fair, safe, respectful and inclusive workplace.

Recommendation 1.6: Board, Committees, and Individual Directors Performance Assessment

The Board is committed to evaluating its own performance, the performance of its Committees and individual Directors, as well as the effectiveness of the governance processes supporting the Board.

While a formal assessment framework is in place and overseen periodically by the Nomination and Remuneration Committee, with endorsement by the Board, the performance review process during the reporting period was primarily conducted on an ongoing and informal basis.

This process involved regular discussions at Board and Committee meetings, as well as direct engagement between Directors throughout the year. Directors provided continuous feedback on the performance and effectiveness of the Board and its Committees, which was considered collectively to identify areas for improvement and to inform governance practices.

The Board considers that this continuous review approach supports timely and constructive feedback and contributes to the ongoing enhancement of Board effectiveness.

Recommendation 1.7: Senior Executive Performance Assessment

Senior Executives are appointed by the CEO/MD and their Key Performance Indicators (KPIs) contain specific financial and non-financial objectives. These KPIs are reviewed annually by the CEO/MD. The performance of each Senior Executive against these objectives is evaluated annually.

In the case of the CEO/MD, this review is conducted by the Nomination and Remuneration Committee, and the results are reported to the Board.

Performance evaluations were undertaken during the reporting period by the Company in accordance with the process.

PRINCIPLE 2 – BOARD STRUCTURE

Recommendation 2.1: Nomination Committee

The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee, with at least two members. The Nomination and Remuneration Committee Charter is available on our website at <https://paragoncare.com.au/corporate-governance>.

The Board has established a Nomination and Remuneration Committee to assist the Board in ensuring it is equipped to discharge its responsibilities. The Committee has guidelines for the nomination and selection of directors and for the operation of the Board.

The current members of the Nomination and Remuneration Committee are set out below:

- Peter Lacaze – Chair of Committee
- Peter Egglestone – Member of Committee

The Chair of the Committee was deemed a non-independent director. The current composition of the Board does not allow the Committee to meet Recommendation 2.1.

Details of meetings held by the Committee during the year and member attendance are set out in the 2026 Directors' Report.

In accordance with the Company's Nomination and Remuneration Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review director competence standards;
- review Board succession plans;
- evaluate the Board's performance;
- make recommendations for the appointment and removal of directors to the Board; and
- make recommendations to the Board on recruitment, retention, and termination policies for the CEO/MD.

Recommendation 2.2: Board Skills Matrix

Our objective is to have an appropriate mix of expertise and experience on our Board so that it can effectively discharge its corporate governance and oversight responsibilities. It is the Board's view that the current directors possess an appropriate mix of relevant skills, experience, expertise, and diversity to enable the Board to discharge its responsibilities and deliver the Company's strategic objectives. This mix is subject to review on a regular basis as part of the Board's performance review process.

The skills and experience represented on the Board and relevant to the Company's business are set out in the matrix below:

<i>Skills and experience</i>	<i>Board Representation</i>
Strategy and leadership	High
Policy development	High
Corporate governance	High
Financial analysis and capital markets expertise	High
Risk and compliance oversight	High
People management	High
Commercial experience	High
Legal and regulatory approval	High
Health, safety, social and environmental responsibility	High
Stakeholder communication and engagement	High
Operational leadership	High
Global experience	High
Critical and innovative thinking	High
Negotiation and influence	High
Enabling innovation and technology	High

Full details of each directors' relevant skills and experience are set out in the 2026 Directors' Report.

Recommendation 2.3: Independent Directors

An independent director is a non-executive director who is not a member of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of judgement.

The Board regularly assesses the independence of each Non-Executive Director in light of the information which each director is required to disclose in relation to any material contract or other relationship with the Company in accordance with the director's terms of appointment, the Corporations Act 2001 (Cth), and the Board Charter.

When appointing an independent director or reviewing the independence of its directors, the Board will have regard to the definition of independent director and the factors set out in the Recommendations, in particular the factors relevant to assessing the independence of a director set out in Recommendation 2.3.

The Board's assessment of each current Director is set out below.

Name	Position	Appointment Date	Status
Peter Lacaze	Non-Executive Chair	3 June 2024	Non-Independent
David Collins	Executive Director	3 June 2024	Non-Independent
Carmen Riley	Chief Executive Officer & Managing Director	3 June 2024	Non-Independent
John Walstab	Non-Executive Director	16 February 2022	Non-Independent
Peter Egglestone	Non-Executive Director	20 March 2025	Independent

Recommendation 2.4: Majority Independence

As at the date of this Statement the Board does not have a majority of independent directors. Although the composition of the Board does not comply with Recommendation 2.4, the current Board composition reflects an appropriate balance of skills, expertise and experience to fulfil its obligations to act in the best interests of the Company and all stakeholders. The Board also considers that there are appropriate safeguards in place including policies and protocols to ensure independent thought and decision making.

The Board recognises that it is desirable for a majority of the Board to be independent directors but the Company's current size, structure and operational requirements dictates that this is the most efficient mode of operations at the current time. The Board will continue to monitor and review its composition and will consider the appointment of additional independent directors as the Company's circumstances change.

Further information regarding our directors, including their experience and qualifications, is set out in the Directors' Report of our 2026 Annual Report.

Recommendation 2.5: Board Chair

Peter Lacaze is a non-independent director and is the most appropriate person for the position of Chair because of his expertise and his in-depth knowledge of the Company, the industry, and markets in which the Company operates.

The Chair provides leadership to the Board in relation to all Board matters and is responsible for ensuring that the Board meets its responsibilities under the Board Charter. His role is set out in more detail in the Board Charter.

The roles of Chair and CEO/MD are exercised by different individuals, being Peter Lacaze and Carmen Riley respectively.

Recommendation 2.6: Induction, Education and Training

In accordance with the Company's Nomination and Remuneration Committee Charter, the Nomination and Remuneration Committee is responsible for establishing and reviewing induction and continuing professional development programs and procedures for directors to ensure that they can effectively discharge their responsibilities.

New directors are provided with copies of all relevant documents and policies governing the Company's business, operations, and management, at the time of joining the Board. The Company also provides appropriate professional development opportunities for directors to assist in their roles. In addition to encouraging directors to undertake external training and refresher courses, such as those offered by the Australian Institute of Company Directors, the Company also facilitates company-specific training and deep dives into key areas of the business as required, to ensure directors remain well-informed and effective in their roles.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: Statement of Values

The Company's values are the guiding principles and norms that define what type of organisation it aspires to be and what it requires from its directors. The Company's values and statement of values are outlined below and are also available on <https://paragoncare.com.au/about>.

- Our greatest strength comes from our ingrained culture of **"ONE TEAM"** and building solid customer and supplier relationships, maintaining open lines of communication, **and** delivering **what we say we will do**.
- At ParagonCare we will provide meaningful career opportunities and development while being part of a collaborative and dynamic organisation.
- Our team takes personal responsibility.
- We do it right the first time.
- ParagonCare enables all its staff to achieve.
- We drive continuous improvement.
- We pride ourselves on open & honest communication.

The Company's Executive Team are responsible for instilling these values across the Group.

Recommendation 3.2: Code of Conduct

The Board expects all directors, employees and contractors to act with the utmost integrity and objectivity, and in compliance with the letter and the spirit of the law and Company policies striving at all times to enhance the reputation and performance of the Company, in the following areas:

- Business ethics;
- Compliance with laws;
- Personal and professional conduct;
- Respect for others and improper behavior;
- Dealings with suppliers, customers, advisers and regulators;
- Dealing with the community; and
- Dealing with other employees.

The Company and its directors have always promoted ethical and responsible decision-making and the Company's Code of Conduct and this may be viewed on the Company's website at <https://paragoncare.com.au/corporate-governance>.

Any material breach of the Company's policies, including a breach of the Code of Conduct, is raised, and reviewed at each Board meeting.

Recommendation 3.3: Whistleblower Policy

The Whistleblower Policy demonstrates that the Company is committed to the highest standards of conduct and ethical behavior in all its business activities. The Company supports a culture of honest and ethical behavior in ensuring good corporate compliance and governance. The policy sets out, amongst other things, instances of suspected misconduct which can be reported to the internal and external parties and summarises the protections offered to whistleblowers.

Any material breach of the Company's policies, including any breach of the Whistleblower Policy, is raised, and reviewed at each Board Meeting.

The Whistleblower Policy is available on the Company's website <https://paragoncare.com.au/corporate-governance>.

Recommendation 3.4: Anti-bribery and Corruption Policy

The Anti-Bribery and Corruption Policy demonstrates that the Company is committed to maintain high standards of integrity and accountability in conducting its business. The policy provides a framework of guidelines and principles to encourage ethical behavior in the conduct of business.

Any material breach of the Company's policies, including any breach of the Anti-Bribery and Corruption Policy, is raised at the Audit and Risk Committee level, with the latter reporting on them at the next Board meeting.

The Anti-Bribery and Corruption Policy is available on the Company's website <https://paragoncare.com.au/corporate-governance>.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: Audit Committee

The Company's Audit and Risk Committee Charter provides for the establishment of an Audit and Risk Committee, with at least three members, a majority of whom are independent directors, and which shall be chaired by an independent director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at <https://paragoncare.com.au/corporate-governance>.

The current members of the Audit and Risk Committee are set out below:

- Peter Egglestone – Chair of Committee
- Peter Lacaze – Member of Committee

The Chair of the Committee was deemed an independent non-executive Director, and the other members were deemed non-independent directors. The current composition of the Board does not allow the Committee to fully comply with Recommendation 4.1

In accordance with the Company's Audit and Risk Committee Charter the primary function of the Committee is to assist the Board to carry out the following:

- review and monitor the integrity of the Company's financial and non-financial reporting, including sustainability disclosures;
- review and monitor the integrity, completeness and governance of the Company's sustainability and environmental, social and governance (ESG) reporting, including disclosures in the Sustainability Report;
- monitor the performance and independence of the external auditor; and
- reviewing the consolidated accounts of the Company.

It also has risk management and internal control functions as set out under Recommendation 7.1.

Recommendation 4.2: Assurances

The CEO/MD and CFO provide an annual declaration to the Board prior to the Board's approval of the Company's full year financial results. This process was followed for the 2026 full year financial results, where the CEO/MD and CFO provided a declaration to the Board that, in their opinion, the financial records 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 Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. On this basis, the 2026 full year financial results were approved by the Board.

Recommendation 4.3: Verification of integrity of periodic corporate reports

Our external auditor, Ernst Young (EY), attends our annual general meeting and a representative is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

EY's independence declaration is contained in the Directors' Report in our 2026 Annual Report.

Any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor are subject to management review to ensure all content is materially correct, balanced and provides investors with appropriate information to make an informed investment decision. While such reports are typically reviewed and approved by the Board, in some instances, they may be approved by the CEO/MD under delegated authority where appropriate. This process ensures timely disclosure while maintaining accountability and oversight.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Continuous Disclosure Policy

We are committed to providing information to shareholders and to the market in a manner that is consistent with the meaning and intention of the ASX Listing Rules and the Corporations Act 2001 (Cth).

To comply with these obligations, the Board has adopted a Continuous Disclosure Policy, which is available on our website at <https://paragoncare.com.au/corporate-governance>.

The Board has overarching responsibility for compliance with continuous disclosure obligations and Board approval is required for certain key matters (as set out in the Continuous Disclosure Policy).

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive, and informed market and in compliance with our Securities Trading Policy (as applicable). In accordance with continuous disclosure obligations under the ASX Listing Rules, the Company has procedures in place to ensure that all price sensitive information is identified, reviewed by management, and disclosed to the ASX in a timely manner. The Company website includes a link to all information disclosed to the ASX.

Recommendation 5.2: Provide Board with copies of all material market announcements

The Company ensures that its Board receives copies of all material market announcements prior to release to the ASX, where practicable. In addition, all directors are promptly notified of the lodgement of market announcements, including being provided with a copy of the final announcement immediately following its release to the market.

Recommendation 5.3: Investor Presentations

In accordance with the Recommendation, the Company ensures that all new and substantive presentations are released to the market to enable security holders the opportunity to have timely access to the latest information released by the Company.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: Information and Governance

Information about the Company and its corporate governance policies is available on our website at <https://paragoncare.com.au/about> and <https://paragoncare.com.au/corporate-governance>.

The Company also maintains a separate investor page on our website (<https://paragoncare.com.au/investor-centre>) to provide shareholders with links to annual and interim reports, ASX announcements, presentations, and other key information.

Recommendation 6.2: Investor Relations

We endeavour to communicate with shareholders and other stakeholders in an open, regular, and timely manner so that the market has sufficient information to make informed investment decisions.

Through its shareholder communications, we aim to provide information that will allow existing shareholders, potential shareholders, and financial analysts to make informed decisions about the Group's intrinsic value and meet its obligations under the ASX's continuous disclosure regime.

Our investor relations program includes:

- issuing regular written shareholder communications such as half yearly financial reporting and an Annual Report to address the Company's strategy and performance;
- sending and receiving shareholder communications electronically;
- maintaining the Board and corporate governance and investor sections on our website including posting all announcements after they have been disclosed to the market;
- promoting two-way interaction with shareholders, by supporting shareholder participation at general meetings including encouraging shareholders to send their questions to the Company prior to the annual general meeting and responding to their questions and feedback; and
- ensuring that continuous disclosure obligations are understood and complied with throughout the Group.

Shareholder queries should be referred to the MD/CEO and/or Company Secretary in the first instance.

Our Shareholder Communications Policy is available on our website at <https://paragoncare.com.au/corporate-governance>.

Recommendation 6.3: Shareholder Meeting Participation

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each general meeting, being the notice of meeting, any explanatory memorandum and a proxy form and shareholders are invited to attend these meetings.

The Board regards each general meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. At shareholder meetings, the Company will provide an opportunity for shareholders and

other stakeholders to hear from and put questions to the Board, management and if applicable our external auditor.

Recommendation 6.4: All substantive resolutions at a security holder meeting are decided by poll

To ascertain the true will of the Company's shareholders attending and voting at its meetings, whether they attend in person, or by proxy or other representative, all items of business will be decided on a poll.

Recommendation 6.5: Electronic Communication with Shareholders

The website contains a facility for shareholders to direct inquiries to the Company at <https://paragoncare.com.au/contact>.

The Company's shareholders may also deal directly with its share registry, MUFG Corporate Markets, through its website at <https://www.mpms.mufg.com/en/contact/contact-us/> and may request to receive their shareholder correspondence electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1: Risk Committee

The Company's Audit and Risk Committee Charter provides for the establishment of an Audit and Risk Committee, with at least three members, a majority of whom are independent directors, and which shall be chaired by an independent director who is not the Board Chair. The Audit and Risk Committee Charter is available on our website at <https://paragoncare.com.au/corporate-governance>.

The current members of the Audit and Risk Committee are set out below:

- Peter Egglestone – Chair of Committee
- Peter Lacaze – Member of Committee

The Chair of the Committee was deemed an independent non-executive Director, and the other members were deemed non-independent directors. The current composition of the Board does not allow the Committee to fully comply with Recommendation 7.1.

Details of meetings held by the Committee during the year and member attendance are set out in the 2026 Directors' Report.

In accordance with the Company's Audit and Risk Committee Charter the Committee also has delegated responsibilities in relation to risk management which includes assisting the Board to:

- review and make recommendations regarding the adequacy and integrity of the Company's risk management framework and system of internal controls; and
- reviewing compliance with relevant laws and regulations.

Recommendation 7.2: Review of Risk Management Framework

The Group's risk management framework is supported by the Board, management team and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The management team is responsible for monitoring and ensuring that appropriate processes and controls are in place to manage risk effectively and efficiently.

The Company's risk management framework incorporates environmental, social and sustainability-related risks, including climate-related risks and opportunities. These risks are identified, assessed and monitored

as part of the Group's broader enterprise risk management processes and are subject to oversight by the Audit and Risk Committee and the Board.

A review of the Company's risk management framework is undertaken by the Board and management on a regular, ongoing basis.

The Board has reviewed its risk management framework during the period under review.

Recommendation 7.3: Internal Audit

The internal audit function provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control, and governance, along with recommendations to improve the efficiency and effectiveness of these systems and processes.

The Audit and Risk Committee Charter provides for the Committee to monitor the need for an internal audit function.

The Company did not have an internal audit function for the past financial year. Having regard to the size, location and complexity of the Company's operations, the Audit and Risk Committee did not consider it necessary to have an internal audit function. The Audit and Risk Committee oversees financial and non-financial risk areas.

During this reporting period, the Company has employed the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:

- senior executives facilitated the periodic review of financial and non-financial systems and processes and presented to the Audit and Risk Committee objectives and scope, outcomes and any recommendations arising from the review; and
- the Audit and Risk Committee reviewed risk management and internal compliance procedures at each Audit and Risk Committee meeting and any risk matters raised for consideration by senior executives.

Recommendation 7.4: Environmental and Social Risk

The Company is exposed to a range of ESG risks, including evolving regulatory requirements, climate-related risks, supply chain considerations and changing stakeholder expectations. The Company's approach to environmental management, sustainability strategy and related performance metrics is set out in its Sustainability Report.

The Board oversees ESG matters as part of its broader governance and risk management responsibilities, including through the Audit and Risk Committee. The Company actively monitors and reviews key risks across the business, including economic, environmental and social risks, as part of its enterprise risk management framework.

While no individual environmental or social risk is currently assessed as material in isolation, the Board recognises the growing importance of sustainability-related risks and opportunities, as well as increasing regulatory and stakeholder focus in this area. Accordingly, the Board oversees the ongoing identification, assessment and monitoring of ESG risks and opportunities, together with the Company's related disclosures.

This section should be read in conjunction with the Sustainability Report, which contains the Company's primary ESG disclosures. Further information regarding the Group's approach to identifying, managing and disclosing sustainability-related risks and opportunities is set out in the 2026 Sustainability Report.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBILITY

Recommendation 8.1: Remuneration Committee

The Company's Nomination and Remuneration Committee Charter provides for the creation of a Committee, with at least three members, a majority of whom are independent directors, and which must be chaired by an independent director. The Nomination and Remuneration Committee Charter is available on our website at <https://paragoncare.com.au/corporate-governance>.

The Board has established a Nomination and Remuneration Committee to assist the Board in ensuring it is equipped to discharge its responsibilities. The Committee has guidelines for the nomination and selection of directors and for the operation of the Board.

The current members of the Nomination and Remuneration Committee are set out below:

- Peter Lacaze – Chair of Committee
- Peter Egglestone – Member of Committee

The Chair of the Committee was deemed a non-independent director. The current composition of the Board does not allow the Committee to meet Recommendation 8.1.

In accordance with the Company's Nomination and Remuneration Committee Charter, the Committee has delegated responsibilities in relation to remuneration matters which includes assisting the Board by recommending:

- executive remuneration and incentive policies;
- the remuneration package of the CEO/MD;
- incentive schemes;
- superannuation arrangements; and
- the remuneration framework for directors.

Recommendation 8.2: Remuneration Policies and Practices

The Board assisted by the Nomination and Remuneration Committee is responsible for determining and reviewing remuneration policies for the directors and senior executives. If necessary, it obtains independent advice on the appropriateness of remuneration packages given trends in comparable companies and in accordance with the objectives of the Company.

Details of the Company's remuneration practices for its directors and key management personnel are disclosed in the Remuneration Report in the Company's Annual Report. The Remuneration Report highlights the balance between fixed pay, short-term incentive and long-term incentives, and includes details of the remuneration paid and the relationship to the Company's performance

Recommendation 8.3: Equity Based Remuneration Scheme

The Company has a Securities Trading Policy which includes a policy prohibiting participants of an equity-based remuneration scheme from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. A copy of the Company's Securities Trading Policy is available on the Company's website at <https://paragoncare.com.au/corporate-governance>.