

Corporate Governance Statement

2026

Carma Limited (ASX: CMA)

ABN 20 648 091 418





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Corporate Governance Statement

1 Introduction

1.1 Who we are

Carma Limited (ASX: CMA) is a multi-award winning, technology-led, full-stack digital platform for buying and selling pre-owned vehicles in Australia. Founded in 2021 by Lachlan MacGregor and Yosuke Hall, the Company was created to address the deeply fragmented and customer-unfriendly nature of the used car market. Carma Limited (ACN 648 091 418) (Carma or the Company) listed on the Australian Securities Exchange in November 2025 (ASX: CMA).

1.2 Our mission and values

The Company has reimaged the entire buying and selling experience from the ground up to provide consumers with a trusted go-to brand for pre-owned cars, putting customers first and owning the end-to-end operations. Carma's mission is to make buying and selling pre-owned cars simple and transparent, by combining rigorous quality assurance with a fully digital, integrated platform – transforming an industry that has traditionally been seen as unfavourable for consumers.

Carma's culture is built around five values – Stay Supercharged, Win as One, Flip the Map, Do Right, and Magic, Where You Least Expect It – which act as the Company's guiding principles, underpinning collaboration and teamwork, energy and innovation, providing a consistent standard against which Carma measures how it operates. These values are reinforced through Carma's Code of Conduct and broader governance framework and celebrated through a nomination award system to ensure they are consistently embedded.

1.3 Overview

This Corporate Governance Statement (Statement) outlines the governance framework and key governance practices of Carma and its subsidiary for the financial year ended 30 June 2026 (reporting period).

During the reporting period, Carma's governance practices were consistent with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations), except where expressly stated otherwise in this Statement.

This Statement, together with ASX Appendix 4G, is current as at 13 October 2026 and has been approved by the Board of Carma (Board).

All charters and policies referred to in this Statement are available on Carma's website at <https://carma.com.au/investors>.

2 Roles and responsibilities

2.1 Role and responsibilities of the Board

The Board is responsible for the overall governance and strategic direction of Carma, with the objective of creating sustainable long-term value for shareholders, while having due regard to the legitimate interests of other stakeholders, including customers, employees, suppliers and creditors.

The Board is responsible for approving Carma's strategic objectives, overseeing management's execution and performance, establishing the Company's risk appetite, and overseeing the effectiveness of its risk management framework and the embedding of its values and culture.

Carma's Board Charter identifies the responsibilities and functions which are reserved to the Board. Matters specifically reserved to the Board include:

- providing leadership and setting the strategic objectives of Carma;
- appointing the Chair and any deputy Chair and any senior independent director;
- appointing, and if necessary replacing, the Chief Executive Officer (CEO);
- approving the appointment, and if necessary the replacement, of other senior executives and the Company Secretary;
- overseeing management's implementation of Carma's strategic objectives and its performance generally;

- approving operating budgets and major capital expenditure;
- monitoring the integrity of Carma's accounting and corporate reporting systems, including the external audit;
- monitoring Carma's process for making timely and balanced disclosure of all material information;
- monitoring Carma's risk management framework and setting the risk appetite within which management is expected to operate;
- approving Carma's remuneration framework; and
- monitoring the effectiveness of Carma's governance practices.

Further details of the roles and responsibilities of the Chair, the Board and senior management can be found in the Board Charter, available on Carma's website.

Details of the current directors, their qualifications, skills and experience, and their attendance at Board and Committee meetings during the year, are set out on pages 9 to 12 in the 2026 Annual Report.

2.2 Role and responsibilities of management

Chief Executive Officer

The CEO is appointed (and when necessary replaced) by the Board. The Board delegates to the CEO the authority to manage the day-to-day affairs of Carma, and the authority to control the affairs of Carma in relation to all matters other than those reserved to the Board and its Committees. The CEO has authority to delegate to the senior management team who are responsible for implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company and providing the Board with information to enable the Board to perform its responsibilities.

Company Secretary

Lisa Jones was appointed as the Company Secretary on 16 October 2025. Ms Jones' qualifications and experience are set out in the directors' report in the 2026 Annual Report.

The Company Secretary is accountable directly to the Board, through the Chair, on matters to do with the proper functioning of the Board. All directors have access to the Company Secretary for all Board and governance-related issues. The Company Secretary's responsibilities include monitoring that the policies and procedures of the Board are followed, organising Board and Committee meetings, capturing Board and Committee business in minutes, facilitating director induction and professional development, ensuring Carma's compliance with its ASIC lodgement obligations, and communicating with ASX in accordance with Carma's Disclosure and Communication Policy.

3 Structure of the Board

3.1 Board composition

At Listing, the Board comprised five directors: three independent non-executive directors (including the independent non-executive Chair) and two executive directors (the Company's founders). Following the resignation of Melinda Snowden as a non-executive director on 28 April 2026, the Board currently comprises four directors, as set out below.

Director	Role	Appointed
Owen Wilson	Independent Non-Executive Chair	16 September 2025
Nicky Sparshott	Independent Non-Executive Director	16 September 2025
Lachlan MacGregor	Executive Director (Co-Founder)	6 April 2021
Yosuke Hall	Executive Director (Co-Founder)	19 February 2021

Melinda Snowden (independent non-executive director and, until her resignation, Chair of the Audit and Risk Committee) resigned effective 28 April 2026. The Board is currently recruiting for an additional non-executive director and will update the market in due course.

Details of each director's qualifications and experience are set out in Carma's 2026 Annual Report.

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3.2 Director independence

The Board adopts the definition of independence set out in its Board Charter, based on the ASX Recommendations. The Board considers Owen Wilson and Nicky Sparshott to be independent non-executive directors.

Lachlan MacGregor and Yosuke Hall are not considered independent, as they are executive directors and Co-Founders of Carma.

Carma's Board Charter requires a majority of independent non-executive directors. From Listing until 28 April 2026, the Board comprised three independent non-executive directors (Mr Wilson, Ms Sparshott and Ms Snowden) and two executive directors (Mr MacGregor and Mr Hall).

Following Melinda Snowden's resignation as a non-executive director effective 28 April 2026, the Board has comprised two independent non-executive directors and two executive directors. As mentioned above, the Board is actively recruiting an additional independent non-executive director and expects to return to a majority of independent non-executive directors upon that director's appointment.

The Board regularly reviews the independence of each director in light of information relevant to this assessment (as disclosed by each non-executive director to the Board).

The Board does not believe it should establish an arbitrary limit on director tenure over and above the constitutional rotation requirements, as tenure is only one of several factors relevant to assessing a director's ongoing independence and contribution.

3.3 Board skills matrix

The Board matrix set out below identifies the combined skills, expertise and experience currently represented on the Board and those which it is looking to achieve through recruitment of an additional independent non-executive director with the necessary skills and experience to chair the audit and risk committee, following the resignation of Melinda Snowden in late April. Therefore, while the current directors have reasonable collective experience financial management skills and experience, the Board is looking to bolster its skills in finance, audit, risk management and sustainability.

To the extent that any skills are not represented on the Board, they are augmented through management and external advisors. For example, whilst the Board has a good understanding of the laws applicable to the operations of the business, given the technicalities and interpretations of the laws, the Board defers to its external legal advisors as and when required.

The Board will review, on an annual basis, the range of skills, experience and expertise which the Board currently has and is looking to achieve in the future.

Skill	Description
Executive Leadership	Senior executive leadership experience, particularly in building or scaling a business.
Strategic Planning & Execution	Experience in developing and executing strategy, assessment of strategic opportunities and risks, corporate planning to create sustainable enterprise value.
ASX-Listed Board Experience & Governance	Experience as a director of an ASX-listed (or comparable public) company, with sound understanding of the ASX Listing Rules and experience in and commitment to best practice corporate governance.
Finance	Experience overseeing capital, financial accounting and corporate reporting, including understanding key drivers of financial performance and ability to evaluate the adequacy of internal financial controls and systems and integrity of financial reporting.
Risk Management	Experience identifying and managing material financial and non-financial risks and oversight of risk management frameworks and controls.
Technology, Data & AI	Experience overseeing technology strategy, data governance, cybersecurity and AI-driven systems including associated opportunities and risks.
Retail, Brand & Marketing	Experience in consumer brand building and development, marketing and customer acquisition.

Skill	Description
Digital & E-commerce	Experience building or leading digital marketplace, e-commerce or technology-platform businesses.
Automotive & Vehicle Retail Industry	Knowledge of the automotive retail, wholesale, dealership or reconditioning industry and its competitive dynamics.
Operations, Scaling & Logistics	Experience in lean operations, manufacturing-style processes, supply chain/logistics, and leading a business through high-growth expansion.
People, Culture & Remuneration	Experience in overseeing workplace culture, people management, executive remuneration, performance and succession.
Sustainability, ESG & Climate Transition	Understanding of ESG governance frameworks and climate-transition risk relevant to the business.

3.4 The Chair

The Chair is elected from the independent non-executive directors, and there is a clear division of responsibility between the Chair and the CEO. Owen Wilson is the present serving Chair and further information about his skills and experience is set out in Carma's 2026 Annual Report.

3.5 Board committees

The Board has established one standing Committee: the Audit and Risk Committee. Carma has not established a separate Nomination and Remuneration Committee. As set out in the Nomination and Remuneration Committee Charter, to the extent a Nomination and Remuneration Committee has not been established, the Board carries out the functions that committee would otherwise perform, including in relation to Board succession, the Board skills matrix, and remuneration policy and structure for the Board, CEO and senior executives. The Board considers this appropriate given Carma's current size and stage of development, and will keep the position under review as Carma grows.

Audit and Risk Committee

The purpose of the Audit and Risk Committee (ARC) is to assist the directors in fulfilling statutory, corporate governance and oversight responsibilities by monitoring and reviewing matters of significance affecting financial reporting and compliance (including the integrity of Carma's internal and external financial reporting, the effectiveness of internal financial controls, and the independence of the external auditor), making recommendations to the Board on the appointment, remuneration and terms of engagement of the external auditor, and assisting the Board in fulfilling its responsibilities relating to risk management and compliance.

Under its Charter, the ARC must comprise only non-executive directors, a majority of independent directors, at least three members, and be chaired by an independent director who is not the Chair of the Board.

Committee	Members (Listing to 28 April 2026)	Members (from 28 April 2026)
Audit and Risk Committee	Melinda Snowden (Chair), Nicky Sparshott, Owen Wilson	Owen Wilson (Interim Chair), Nicky Sparshott

From Listing until 28 April 2026, the Audit and Risk Committee comprised three non-executive directors, all of whom were independent, and was chaired by an independent director who was not the Chair of the Board.

Following Melinda Snowden's resignation as Chair and member of the Committee effective 28 April 2026, Owen Wilson has assumed the role of Acting Chair of the Audit and Risk Committee, alongside Nicky Sparshott. From 28 April 2026, the Committee's composition of two non-executive directors, chaired by the Board Chair, has not met the Charter's requirement for a minimum of three non-executive directors, nor the requirement that the Committee be chaired by an independent director who is not the Chair of the Board.

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The Board considers this interim arrangement appropriate in the circumstances, given the size of the Board following Ms Snowden's resignation, and expects to restore the Committee's compliant composition upon completion of the appointment of a new non-executive director.

3.6 Evaluation of performance of executive KMP

The Executive KMP, comprising the Chief Executive Officer and Chief Commercial Officer have a remuneration package which includes fixed cash remuneration and a variable or "at risk" component in the form of a short term incentive. The STI award is based on performance against annual scorecards and, for the 2026 financial year, comprised financial (70%), operational (20%) and strategic (10%) measures. The STI outcome may be modified by between 0-120% based on the Board's assessment of leadership, individual performance and risk management. Following the end of the financial year, awards are determined after the preparation of the financial statements and assessment of the other applicable performance measures by the Board. The Board considers both the scorecard result and each participant's personal performance and conduct to ensure outcomes are aligned with the Company's long-term interests and conduct contrary to the Company's values or risk appetite is not rewarded. The STI will be delivered in restricted rights subject to the required shareholder approval.

The Board's assessment of the executive KMP's performance was undertaken in August 2026 and the outcome of the assessment against the applicable performance measures is reported in the Company's Remuneration Report on pages 18 and 33 of the 2026 Annual Report.

4 Board succession planning and performance

4.1 Appointment and Election of New Directors

The Board is responsible for its composition and succession issues and identifying suitable candidates to fill Board vacancies as and when they arise, or to identify candidates to complement the existing Board. When appropriate, external consultants are engaged to assist in searching for candidates.

The Board assesses candidates against a range of criteria including background, experience, professional qualifications, personal qualities and ability to complement the existing members of the Board. The Company undertakes appropriate checks before a new director or senior executive is appointed including criminal record and bankruptcy checks and checks of the candidates employment history and educational qualifications.

All new directors enter into a written agreement with the Company setting out the terms of their appointment, roles and responsibilities. Directors also enter into a Deed of Access, Insurance and Indemnity.

When a candidate is put before shareholders at a general meeting for election or re-election, all material information in the Company's possession that is relevant to the shareholders' decision will be provided in the notice of meeting.

4.2 Director induction and development

Carma has an induction program designed to assist new directors to rapidly understand Carma's structure, business operations and strategic priorities. During FY26, directors received regular briefings from subject matter experts within management, and from external advisers, on relevant business developments and corporate governance and regulatory matters, including in relation to Carma's obligations as a newly listed entity.

4.3 Board, Committee and director performance

No formal performance evaluation of the Board, its committees or individual directors was undertaken during FY26. Carma listed on ASX in November 2025, and the Board (in its current composition) has not yet been in place for a full year and is presently recruiting an additional non-executive director. The Board considers it more appropriate to conduct its first formal performance evaluation once that additional director has been appointed and the directors have had the opportunity to work together for a meaningful period, and intends to do so during FY27. The form of the Board, committee and individual non-executive director performance review will be determined during FY27.

5 Diversity and inclusion

Carma has adopted a Diversity Policy which sets out its commitment to diversity and inclusion in the workplace. The Diversity Policy provides a framework under which the Board will set measurable objectives for achieving gender diversity, and will assess annually both those objectives and Carma's progress in achieving them.

At the time of Listing, Carma disclosed a departure from Recommendation 1.5 on the basis that it was not incorporating specific diversity targets into its hiring process, given its workforce size was small but growing, and that the Board would continue to monitor Carma's growth and needs for specific diversity targets periodically.

As at the date of this statement, the Board has not yet adopted any formal measurable objectives for achieving gender diversity however we recognise the value that this diversity brings and will continue to evolve for formalisation of our policy in this regard.

At the Board level, the Board is seeking to return to 40% female participation through the recruitment of an additional non-executive director.

Level	Male	Female	Non-binary/ not disclosed
Board members	3	1	0
Senior executives	6	2	0
All employees	157	48	7

6 Ethical and responsible behaviour

6.1 Code of Conduct

Carma is committed to a high level of integrity and ethical standards across its business practices. Carma's Code of Conduct sets out the values, commitments, ethical standards and policies of Carma and outlines the standards of conduct expected of the business and its people, including in relation to conflicts of interest. All directors, officers, employees, contractors and consultants must comply with the Code of Conduct. The Board is informed of any material breaches of the Code of Conduct.

6.2 Whistleblower Policy

Carma has adopted a Whistleblower Policy that provides a safe and confidential way for current and former officers, employees, contractors and suppliers of Carma (and certain of their relatives and dependants) to report suspected misconduct or other illegal, unethical or improper conduct.

The Whistleblower Policy is designed to give effect to the whistleblower protections under the Corporations Act 2001 (Cth) and the Taxation Administration Act 1953 (Cth), and provides for reports to be made to a Whistleblower Hotline and other internal and external reporting channels, for the appointment of a Whistleblower Protection Officer where appropriate, and for reports concerning a member of the Whistleblower Committee to be handled by, or escalated to, the Audit and Risk Committee. The Board is informed of any material incidents reported under the Whistleblower Policy.

No material matters were reported under the Whistleblower Policy during FY26.

6.3 Anti-Bribery and Corruption Policy

Carma has adopted an Anti-Bribery and Corruption Policy which applies to all persons who work at Carma or any of its subsidiaries, including directors, employees, contractors, consultants and secondees. Under the policy, giving, offering, promising, accepting, requesting or authorising a bribe, whether directly or indirectly, is strictly prohibited. The policy sets out a framework for the giving, receiving and registering of gifts, hospitality and other benefits, including a \$300 notification/approval threshold and a Gifts Register maintained by the People Team.

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6.4 Trading Policy

Carma has adopted a Trading Policy which summarises the law prohibiting insider trading under the Corporations Act and sets out Carma's policy on dealings in Carma securities and financial products, intended to protect Carma, its directors, officers and employees against the misuse of unpublished price-sensitive (Inside) Information.

The Trading Policy applies to all directors, officers and other key management personnel of Carma (Designated Persons), and to their associates (including family members and closely connected persons and entities). Subject to the insider trading ban, Designated Persons may only deal in Carma securities during specified trading windows set out in the policy which include the four weeks following release of Carma's half-year and annual results and the four weeks following Carma's annual general meeting.

The Trading Policy also imposes further restrictions on margin lending, short-term or speculative trading, short selling and hedging of unvested or restricted securities.

6.5 Privacy Policy

Carma is committed to protecting the personal information of its registered users and other stakeholders. Carma's Privacy Policy details how personal information collected by Carma is used, stored and disclosed, consistent with the Privacy Act 1988 (Cth).

6.6 Conflicts of interest

Directors and employees are required to disclose any actual, potential or perceived conflicts of interest, including related party transactions, in accordance with Carma's Code of Conduct and Constitution. Related party transactions are also subject to oversight by the Audit and Risk Committee.

7 Integrity in corporate reporting

7.1 Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its responsibilities in respect of financial reporting, risk management, compliance and internal controls. Its detailed responsibilities are set out in the Audit and Risk Committee Charter. The membership and composition of the Committee are set out in Section 3.5 above. In relation to corporate reporting specifically, the Committee's role is to oversee the adequacy of Carma's corporate reporting processes, so that those processes are formal and rigorous enough to safeguard the integrity of Carma's reporting and facilitate independent verification. This includes reviewing the appropriateness of material accounting judgments and estimates, overseeing the process for continuous disclosure reporting to ASX, and reviewing the completeness and accuracy of this Statement and Carma's other corporate reports before recommending their approval to the Board – although ultimate responsibility for the integrity of Carma's financial reporting rests with the Board.

7.2 Chief Executive Officer and Chief Financial Officer declarations

Before the Board approves Carma's half-year and full-year financial reports, and quarterly reports the CEO and CFO provide the Board with declarations, in accordance with the ASX Recommendations and (where applicable) section 295A of the Corporations Act 2001 (Cth), that in their opinion the financial records of Carma have been properly maintained, that the financial statements comply with the appropriate accounting standards and give a true and fair view of Carma's financial position and performance, and that this opinion is formed on the basis of a sound system of risk management and internal control operating effectively.

The Board received declarations of this kind in respect of the half-year ended 31 December 2025 and the financial year ended 30 June 2026 from the CEO and CFO prior to approving those financial reports.

7.3 Role of the external auditor

Carma has appointed Deloitte Touche Tohmatsu as its external auditor.

The effectiveness, performance and independence of the external auditor is reviewed annually by the Audit and Risk Committee. Deloitte Touche Tohmatsu was appointed as Carma's auditor prior to Listing; consistent with section 327B of the Corporations Act 2001 (Cth), the Board will seek shareholder confirmation of Deloitte Touche Tohmatsu's appointment as external auditor at Carma's 2026 Annual General Meeting.

Independence declaration

Pooja Patel of Deloitte Touche Tohmatsu has provided the required independence declaration to the Board for the financial year ended 30 June 2026. The independence declaration forms part of the directors' report in the 2026 Annual Report.

Non-audit and assurance-related services

The Board has considered the nature of the non-audit and assurance-related services provided by the external auditor during the year and has determined that the services provided and the amount paid for those services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Details of fees paid (or payable) to Deloitte for non-audit and assurance-related services provided to the Company during the reporting period are set out in the directors' report on page 66 of the 2026 Annual Report.

Attendance at Annual General Meeting

The lead audit partner of Deloitte Touche Tohmatsu will attend Carma's 2026 Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

7.4 Integrity of corporate reports

Carma is committed to providing shareholders and other stakeholders with timely, accurate and balanced corporate reporting. In respect of corporate reports released to the market which are not audited or reviewed by the external auditor, including this Statement, Carma has in place a verification procedure to verify the integrity of any unaudited periodic corporate report it releases to the market. The procedure is designed to ensure that all material statements in a report are identified and supported with verifiable evidence and signed-off by appropriate senior management. This procedure is followed with respect to unaudited periodic corporate reports, material ASX announcements including investor presentations and results presentations, any announcements concerning trade updates and material business updates. The Disclosure Committee oversees the verification process, and the Board reviews and approves each report before it is released to the market. All material ASX announcements must be approved by the Board prior to release.

8 Disclosure and investor engagement

8.1 Disclosure and Communication Policy

Carma's Disclosure and Communication Policy sets out the procedures Carma has adopted to ensure compliance with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act, and to support the timely, balanced and equal dissemination of information to the market.

Carma has established a Disclosure Committee, whose members are the Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer and Company Secretary. The Disclosure Committee is responsible for managing Carma's compliance with its disclosure obligations, including assessing the materiality of potentially price-sensitive information, deciding what information should be disclosed to the market, and reviewing periodic disclosure documents and media announcements before release. Matters the Disclosure Committee considers to be of key significance are referred to the Board.

The Company Secretary is responsible for communication with ASX on Listing Rule matters and for the general administration of the Policy, including ensuring ASX is immediately notified of information requiring disclosure, distributing continuous disclosure announcements to the Board and senior managers, and convening the Disclosure Committee.

The Board may designate certain categories of market communications, including earnings guidance, periodic financial reports, and significant transaction or capital raising announcements, as "Reserved Documents or Disclosures" requiring Board approval before release. Where prior Board or Disclosure Committee approval cannot reasonably be obtained in time to meet Carma's continuous disclosure obligations, expedited approval may be given by any two of the Chair, the CEO and the Company Secretary, with any such approval reported to the Board for ratification at its next meeting.

All officers and employees are provided with Carma's Disclosure and Materiality Guidelines to help them understand their own obligations and Carma's processes for identifying and escalating potentially price-sensitive information.

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8.2 Investor engagement

Carma values open engagement with our shareholders and aims to provide shareholders and investors with all important information related to Carma. We do this by:

- providing information about Carma Limited, its business and governance on the corporate website (www.carma.com.au);
- providing copies of all ASX announcements and media releases, in addition to annual reports and notices of annual general meetings and investor presentations on the investor section of the corporate website (www.carma.com.au/investors)
- holding investor webinars following the release of its full-year financial results such as that held on 31 August 2026 to allow shareholders, investors and analysts to ask questions regarding the Company's financial performance.

The Company's first AGM as a listed company in 2026 will be a key opportunity for shareholders to hear the Chairman and CEO provide updates on the Company's performance, ask questions of the Board, and to express a view and vote on a poll on the various matters of Company business. Shareholders may also ask questions of the Company's external auditor at the meeting. The Company encourages its shareholders to attend its AGM. Shareholders who are unable to physically attend are encouraged to lodge direct votes and proxies electronically prior to the meeting.

Risk management

8.3 Risk management framework and governance structure

As disclosed at the time of Carma's listing on the ASX in November 2025, the Company did not at that time have a formal risk management framework that had been reviewed and approved by the Board and intended to further develop and formalise its risk management arrangements following listing.

During the 2026 financial year, and pending completion of that work, the Board and Audit & Risk Committee maintained active oversight of the Company's material risks. Risk was managed through regular consideration of the Company's risk profile and business operations by the Board and Audit & Risk Committee, regular management reporting and escalation, and the internal control and oversight processes in place across the business. These arrangements enabled the Board and Audit & Risk Committee to oversee the identification and management of material risks during the period and to satisfy themselves as to the adequacy of the Company's risk management and control arrangements, having regard to the Company's stage of development.

Following listing, the Company commenced a comprehensive program of work to strengthen its risk management capability and support the continued maturity of its risk management practices. Supported by external risk and governance specialists, this included an in-depth review of the Company's material risks and its existing risk management, control and governance arrangements. The review considered the Company's risk profile, existing processes and controls, risk oversight and accountability arrangements, and opportunities to strengthen the consistency and effectiveness of risk management across the business.

The review informed the development of a fit-for-purpose Risk Management Framework and Risk Appetite Statement reflecting Carma's business model, strategy, operating environment and stage of growth. The Risk Management Framework establishes a structured and consistent approach to the identification, assessment, management, monitoring and reporting of risk across the business, together with clearer risk ownership, accountability, escalation and reporting arrangements.

The Risk Management Framework and Risk Appetite Statement were adopted by the Board in September 2026. Under the Framework, the Board retains ultimate responsibility for oversight of risk and for setting the Company's risk appetite. The Audit & Risk Committee supports the Board in overseeing the effectiveness of the Framework and the Company's management of material risks, while management is responsible for identifying and managing risks within the parameters of the Board-approved risk appetite.

The Framework addresses the identification and management of the Company's material risks across the following principal risk categories: Strategic, Financial, Operational, Technology & Cyber, Legal, Regulatory & Compliance, and People together with emerging risks.

Given that a formal Board-approved Risk Management Framework was not in place for the entirety of FY26, the Company did not conduct an annual review of that Framework during the reporting period in the manner contemplated by Recommendation 7.2. However, as described above, the Board and Audit & Risk Committee maintained active oversight of the Company's material risks throughout the period and satisfied themselves as to the adequacy of the risk management and control arrangements then in place. In parallel, the Company undertook a comprehensive review of its risk profile and existing risk management, control and governance arrangements as part of the development of the new Framework.

Following its adoption in September 2026, the Risk Management Framework will be reviewed at least annually by the Board, with the support of the Audit & Risk Committee, to satisfy itself that the Framework remains sound and that the Company is operating with due regard to the risk appetite set by the Board. The Company will continue to embed and mature its risk management practices as the scale and complexity of its operations evolve.

8.4 Internal audit

Carma does not currently have a standalone internal audit function, having regard to the Company's current size, stage of growth and the nature and complexity of its operations.

In the absence of a standalone internal audit function, the Board, supported by the Audit & Risk Committee, oversees the adequacy and effectiveness of the Company's governance, risk management and internal control processes. This is supported by management and the finance function through ongoing monitoring and review of key controls and processes, together with the targeted use of external advisers to provide specialist review and advice where appropriate.

8.5 Environmental and social risk

As part of the comprehensive review of the Company's risk profile undertaken following listing, Carma considered its exposure to environmental and social risks and the manner in which those risks are identified, assessed and managed.

Environmental and social risks are incorporated into the Company's Risk Management Framework and are subject to the same structured processes for risk identification and assessment, ownership, management, monitoring, escalation and reporting as other material risks across the business.

The key business risks are set out on page 13 of the 2026 Annual Report.

Environmental risks

The Company's environmental risk exposure includes the potential impact of extreme weather events on its operations. In particular, the Company's inspection and reconditioning centre in St Peters, Sydney, and other operational sites may be exposed to events such as floods, fires and hail. Such events have the potential to damage physical assets, disrupt utilities or restrict access to operational sites, which may affect the Company's ability to recondition vehicles and fulfil customer orders and may result in financial loss.

The Group also continues to assess climate-related risks relevant to its operations, including the potential impact of severe weather on vehicle inventory, transport and reconditioning activities, while progressing its readiness for future climate-related reporting requirements.

Based on current forecasts, the Group considers it likely that it will meet the applicable Group 2 sustainability reporting thresholds during FY27. The Group has therefore engaged a specialist adviser to support its readiness for the mandatory climate-related financial reporting requirements, including the requirements of AASB S2 Climate-related Disclosures, and to assist in developing the governance, risk assessment, data and reporting processes required for compliance.

Social risks

The Company's principal social risk exposure includes workplace health and safety. Employees working at the Company's inspection and reconditioning centre and those involved in vehicle collection and movement may be exposed to workplace injury. The Company's health and safety obligations also extend to psychosocial hazards, including workload and employee wellbeing, which the Company monitors as its workforce grows. A workplace injury or failure to comply with applicable

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health and safety obligations could result in compensation liabilities, regulatory penalties, reputational harm and adverse financial consequences.

The Company's broader social risk profile also includes risks associated with its people and workforce, including dependency on founders, senior management and individuals with specialised skills. These risks are considered and managed through the Company's broader risk management processes.

Material exposure

The Company considers that it has material exposure to certain environmental and social risks, including the risks described above. These risks are identified, assessed and managed through the Company's Risk Management Framework, with appropriate risk ownership, controls, monitoring and reporting. Further information regarding these risks and their potential impact on the Company is set out in the Key Business Risks section of the Annual Report on page 13.

The Company will continue to assess its exposure to environmental and social risks as its operations, risk profile and applicable regulatory and reporting obligations evolve.

9 Remunerate fairly and responsibly

9.1 Nomination and Remuneration

As mentioned in Section 3.5, the Board currently carries out the responsibilities that a nomination and remuneration committee would otherwise perform, including setting Carma's remuneration structure, determining eligibility for incentive schemes, assessing the performance and remuneration of senior management, and determining the remuneration and incentives of the Board. The Board may obtain external advice from independent remuneration consultants where considered appropriate.

9.2 Remuneration of non-executive directors and executives

Non-executive directors' fees are paid within an aggregate limit approved by shareholders. Shareholders approved a maximum aggregate non-executive director remuneration pool of \$750,000 at the general meeting held on 14 October 2025, under article 10.8 of Carma's Constitution.

Details of remuneration paid to directors and key management personnel during FY26 are set out in the Remuneration Report forming part of the directors' report in Carma's 2026 Annual Report.

