

Corporate Governance Report

for the year ended 30 June 2025

The Board of directors (“The Board”) is responsible for the corporate governance of the Group. The Board considers strong Corporate Governance to be core to ensuring the creation, the enhancement and protection of shareholder value. Accordingly, the Group has adopted the 4th Edition of the ASX Corporate Governance Principles and Recommendations from 1 July 2020.

The Board believes that a company’s corporate governance policies should be tailored to account for the size, complexity and structure of the company and the risks associated with the company’s operations. The ASX Corporate Governance Council allows companies to explain deviations from the Council’s recommendations. Areas where the Group has deviated from the Council’s recommendations at any time during the financial year are discussed below, however the Board believes the areas of non-conformance do not impact on the Group’s ability to operate with the highest standards of Corporate Governance.

This statement outlines the main corporate governance practices of the Group. Unless otherwise stated, these practices were in place for the entire year.

Foundations for Management and Oversight

Roles and responsibilities

The directors of the Company are accountable to shareholders for the proper management of the business and affairs of the Company. The key responsibilities of the Board include the following:

- contributing to and approving the corporate strategy for the Group;
- monitoring the organisation’s performance and achievement of its corporate strategy;
- approving and monitoring the progress of significant corporate projects, including acquisitions or divestments;
- reviewing and approving the annual business plan and financial budget;
- monitoring financial performance, including preparation of financial reports and liaison with the auditors;
- appointment and performance assessment of the executive directors;
- ensuring that significant risks have been identified and appropriate controls put in place;
- overseeing legal compliance and reporting requirements of the law; and
- monitoring capital requirements and initiating capital raisings.

The Board’s responsibilities are documented in a written Board Charter which is available in the shareholder information section of the Company’s website. The Board Charter details the functions reserved to the Board, the roles and responsibilities of the Chairman and the responsibilities delegated to management. Generally, the day-to-day management of the Company’s affairs and implementation of its strategy and policy initiatives are delegated to the Group Chief Executive Officer and Senior executives, and in respects of UK investment activities the CEO of Cuadrilla Resources Holdings Limited, all of whom operate in accordance with Board approved policies, values and delegated limits of authority. The Board Charter also gives

the Directors the right to seek independent professional advice, at the Group’s expense, on matters relevant to carrying out their duties.

The Company Secretary is appointed by the Board and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. Each Director can communicate directly with the Company Secretary and vice versa.

All Senior executives are employed under employment service agreement, while non-executive Directors are appointed under a letter of appointment, which details their role and key terms of their engagement.

Appointment and Re-Election of Executives and Directors

Through periodic reviews of the Board composition and succession planning, the Board seeks to ensure that the skills, knowledge, experience, independence and diversity of the Board are appropriate for the present and future requirements of the Group. The Human Resources and Nominations Committee seeks to identify, and recommends to the Board for appointment, directors whose skills and attributes complement and enhance the effective operation of the Board.

Background checks are conducted prior to appointing any new Executive and / or Director, with each non-Executive Director being required to specifically acknowledge that they have and will continue to have the time to discharge their responsibilities to the Company. The existing CEO was appointed to the Board as Managing Director effective from 4 October 2024. Mr Egan continues to be CEO of Cuadrilla, and attends Board meetings as an executive Director.

The constitution requires one third of all directors, to retire from office at each Annual General Meeting (“AGM”) and can present themselves for re-election at which time the Board will provide direction to shareholders of support or otherwise. No Director can hold office for more than 3 years without presenting for re-election, except the role of Managing Director who can hold office for a period greater than 3 years without re-election. Any Director appointed by the Directors during the year to fill a casual vacancy is required to also present for election at the first AGM following their initial appointment. All information relevant to a decision on whether or not to elect or re-elect a Director is included in the Notice of General Meeting.

Review of Performance

The Board continually assesses its performance, the performance of its committees and individual Directors through a structured annual review process. The last review took place during the year and a summary of results was presented to the Directors, who considered and discussed them and determined actions for improvement as considered appropriate. The evaluation encompasses a review of the structure and operation of the Board and its Committees, the skills and characteristics required by the Board to maximise its effectiveness, the performance of its Committees and Directors, and the appropriateness of the Board’s practices.

The performance of the CEO is reviewed annually by the Chairman of the Board, and in turn the CEO reviews annually the performance of all

Corporate Governance Report

for the year ended 30 June 2025

senior executives. These reviews happen in consultation with the Human Resources and Nominations Committee, with the last such review having taken place in August and September 2024.

Diversity

AJL is committed to a diverse and inclusive workplace which supports business objectives, delivers competitive advantages and benefits shareholders and customers. The Group is committed to ensuring all employees are treated fairly, equally and with respect no matter what their race, ethnicity, gender, sexual orientation, socio-economic status, culture, age, physical ability, education, skill levels, family status, religious, political and other beliefs and work styles. A copy of the Group's Diversity Policy is available in the shareholder information section of the Company's website.

While the Board is committed to achieving gender diversity it is of the view that imposed targets would not be of benefit and could result in hiring decisions that are contrary to the ultimate goal of "best fit" for purpose. As such, the Group's Diversity Policy does not at this time require the Company to set measurable objectives for achieving gender diversity.

The number of men and women on the Board, in senior management and other positions as reported in the Group's Gender Equality Reports is shown below:

Level	2025			2024		
	Male	Female	Total	Male	Female	Total
Non-executive Directors	3	–	3	3	–	3
Executive leadership personnel [#]	3	–	3	3	–	3
Other employees	258	17	275	306	22	328
TOTAL	264	17	281	312	22	334

[#] In 2024 the newly appointed CEO included in the executive leadership personnel, the interim CEO who filled the role for only four months of the year is included in other employees.

The Company has a parental leave scheme where a permanent employee who has been with the company for over 24 months can access paid parental leave following the birth or adoption of a child. Unpaid leave of up to 12 months is also available to certain employees. The Group has in place various other programs to foster career development including training sessions for line managers, sponsoring attendance at executive management training courses, implementation of flexible workplace practices, and development and implementation of HR policies and practices to drive workforce participation rates of key diversity segments.

Structuring the Board to add Value

Composition of the Board

The constitution of the Company requires between three and ten directors, ideally comprising majority independent directors. The Board considers and assess the independence of each Director regularly, and at least annually. Any changes in a Director's interest, positions or relationships needs to be reported by the Director. In August 2024 it was determined that the significant passage of time from the time Mr Ball's employment had ended with Kerogen Capital, a significant shareholder of the Company, was sufficient to consider him independent from August 2024. As such the Board comprises three independent Directors and two executive directors.

The table below sets out the independence status of each director as at the date of this annual report.

Director	Status
Andrew Purcell	Chairman and Independent Non-Executive Director
Greg Runge	Executive Director (Director since 4 October 2024)
Francis Egan	Executive Director
Julian Ball	Independent Non-Executive Director
Austen Perrin	Independent Non-Executive Director

The directors' skills and experience, and the period of their appointments with the Company is set out in the Directors' Report.

Skills Matrix

The Board seeks to ensure that its membership includes an appropriate mix of skills and experience. A summary of the directors' skills and experience relevant to the Group as at the end of the Reporting Period is set out below:

	Andrew Purcell	Julian Ball	Francis Egan	Austen Perrin	Greg Runge
Executive leadership	✓	✓	✓	✓	✓
Strategy and risk management	✓	✓	✓	✓	✓
Financial acumen	✓	✓	✓	✓	✓
Health and safety	-	-	✓	-	✓
Current or former CEO	✓	-	✓	-	✓
Mining services	✓	✓	✓	✓	✓
Oil and gas	✓	✓	✓	-	✓

Induction Program

The Company has induction procedures to allow new Directors to participate fully and actively in Board decision making at the earliest opportunity which may involve briefings by the Chairman, the Group CEO, and Senior Executives as appropriate regarding the Group's strategy, culture and key areas of risk. Where possible new Directors are given the opportunity to attend Board meeting before becoming a Director. Where the Director is not an existing executive a checklist of information is prepared for the incoming Directors, while Board members are also provided comprehensive information on a regular basis by Senior Executives so that they can discharge their director responsibilities effectively. The Company Secretary coordinates the timely completion and dispatch of such material to the Board.

Directors are encouraged, and are given the opportunity, to broaden their knowledge of the Group's business by visiting offices in different locations and engaging with management. They are encouraged to remain abreast of developments impacting their duties and maybe offered external training opportunities on an as required basis.

Culture of Ethical and Responsible Decision Making

The Company's values are disclosed on the Group's website and are the guiding principles that define the standards and behaviors expected of directors, executives and employees. The Company has a code of conduct to guide the Directors and key executives. It includes disclosure of conflicts of interest and use of information not otherwise publicly known or available. Any director with an interest in matters being considered by the Board must take no part in decisions relating to those matters.

The Directors' Code of Conduct is available in the shareholder information section of the Company's website as is the employee Code of Conduct. These codes address the practices necessary to maintain confidence in the Company's integrity, to take account of legal obligations and expectations of stakeholders and the responsibility and accountability for reporting and investigating unethical practices. Any material breaches of the employee Code of Conduct must be reported to the Board, while concerns and / or breaches of the Directors Code of Conduct should be reported to the Chairman who, after investigating

the concern or breach will report it to the Board. No such Breaches have taken place during the reporting period.

The Group does not tolerate unlawful behavior. This includes a zero-tolerance approach to all forms of Modern slavery, bribery and corruption, whether direct or indirect. As such the Group has policies covering Anti-Bribery and Corruption, and Whistleblowing, and reports in an Annual Modern Slavery statement its approach, all of which are also available in the shareholder information section of the Company's website. The Anti-Bribery and Corruption policy prevents:

- making or acceptance of facilitation payments or kickbacks of any kind;
- payments to trade unions or their officials;
- any donations to political parties or charitable donations, for the purpose of gaining commercial advantage; and
- the giving or receipt of any gifts or hospitality if it could in anyway be intended, or reasonably interpreted, as a reward or encouragement for a favour or preferential treatment.

Any concerns that cannot be raised with the immediate manager can be raised to the Board Chairman or the Audit and Risk Committee Chairman, who will ensure whistleblowers do not suffer detrimental treatment as a result of raising a genuine concern.

The Group also has a Supplier Code of Conduct detailing conduct that the Group does not tolerate within its supply chain. All new suppliers are required to agree to abide by the Supplier Code of Conduct.

Any material breaches of the Anti-Bribery and Corruption policy, and any concerns raised under the whistleblower policy are reported to the Audit and Risk Committee.

Integrity in Financial Reporting

The Board has established an Audit and Risk Committee which provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control systems, risk management systems, regulatory compliance and external audit. The Audit and Risk Committee is governed by the Audit and Risk Committee Charter which is available in the shareholder information section of the Company's website.

Corporate Governance Report

for the year ended 30 June 2025

The Committee must have at least three members, all of whom are independent directors. The Committee must be chaired by an independent director, who is not chair of the board. At least one member must have financial expertise and some members shall have an understanding of the industry in which the Company operates.

Members of the Audit and Risk Committee as at the date of this report are set out in the following table. Their qualifications and experience are set out in the Directors' Report.

Committee Member	Status at date of report
Austen Perrin	Committee Chairman and Independent Director
Andrew Purcell	Independent Director
Julian Ball	Independent Director

The Committee Chairman and the Committee members are all independent. In August 2024 Mr Ball's independence status was re-evaluated, and prior to this he was considered a non-executive, non-independent Director. The Board is of the opinion that, given the extensive finance experience of its member and their knowledge of the Company and industry that it operates in, the current composition of the committee is the most qualified and appropriate during this time.

The principal roles of the Committee are to:

- assess whether the accounting methods and statutory reporting applied by management are consistent and comply with accounting standards and applicable laws and regulations;
- make recommendations on the appointment of the external auditors, assess their performance and independence and ensure that management responds to audit findings and recommendations;
- discuss the adequacy and effectiveness of the Company's internal control systems and policies to assess and manage business risks, its legal and regulatory compliance programmes; and
- ensure effective monitoring of the Company's compliance with its codes of conduct and Board policy statements.

The Audit and Risk Committee meets with the external auditors at least twice a year. The Committee is authorised to seek information from any employee or external party and obtain legal or other professional advice.

The Committee co-operates with its external auditors in the selection, appointment and 5 yearly rotation of external audit engagement partners.

The Company discloses in the shareholder information section of the Company's website the process it uses to verify any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Timely and Balanced Disclosure

The Company has established policies and procedures designed to ensure compliance with ASX listing rules, continuous disclosure requirements and accountability for compliance at a senior level so that investors have equal and timely access to material information that in the opinion of the Board is likely to have an impact on an investment decision in the Company or impact on the Company's share price.

The Company has a Continuous Disclosure and Communications Policy, a copy of which is in the shareholder information section of its website.

All material market announcements are provided to all Directors by the Company Secretary, who reviews all announcements. Where a new and substantive investor or analyst presentation is given, such a presentation is first released to the ASX.

Communication with Security Holders

The Board keeps shareholders informed of all material information relating to the Company by communicating to shareholders through:

- continuous disclosure reporting to the ASX;
- its annual reports;
- media releases and other investor relations publications on the Group's website; and
- general information about the Group, its corporate governance practices and its Directors and Executives.

All company announcements lodged with the ASX are available in the shareholder information section of the Company's website. Shareholders have the option to receive communications from, and send communications to, the Company's Share Registry electronically, including the annual report and the notice of the annual general meeting. Additionally, shareholders and potential investors are able to post questions to the company through the Company's website or by telephone. The Board and senior management endeavor to respond to queries from shareholders and analysts for information in relation to the Group provided the information requested is not price sensitive or is already publicly available.

The Company has a website which provides useful and easy to find information about the Company, its directors and management, its operations and investments.

The Company provides the Notice of AGM to all shareholders and makes it available on the Company's website. The AGM is the key forum for two-way communication between the Company and its shareholders. At the meeting, the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate. Further, the Company's external auditor attends the annual general meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. The Company held a virtual AGM in 2024. All substantive resolutions at meetings of shareholders are decided by poll.

Risk Identification and Management

AJ Lucas recognises that the management of risk is a critical component in achieving its purpose of delivering growth in shareholder value. The Company has a framework to identify, understand, manage and report risks. As specified in its Board Charter, the Board has responsibility for overseeing AJ Lucas’ risk management framework and monitoring its material business risks. The Board continues to be committed to embedding risk management practices to support the achievement of business objectives. As such the Board has established the Audit and Risk Committee which is responsible for reviewing and overseeing the risk management strategy of the Group and for ensuring it has an appropriate corporate governance structure. The Audit and Risk Committee discusses with management and the external auditors, at least bi-annually:

- Internal controls systems;
- Policies and procedures to assess, monitor, and manage business, economic, environmental and social sustainability risks;
- Insurance program having regard to the insurable risks and the cost of this cover; and
- Legal and regulatory compliance programs.

As part of the AJ Lucas risk management structure, risk registers are maintained and reported to the Audit and Risk Committee periodically and at least annually, detailing likelihood and severity of risks occurring, with this year’s review taking place in August 2024 and again in August 2025. Management undertakes a review of its insurable risks each year in order to fully consider potential impacts and how they are financed in terms of limits and scope under the Group’s insurance program.

Further details of the structure, membership and responsibilities of the Audit and Risk Committee are provided under the “Integrity in Financial Reporting” heading in this Corporate Governance Statement.

Within this framework, management has designed and implemented a risk management and internal control system to manage material business risks. Both the Chief Executive Officer and Chief Financial Officer provide a representation to the Audit and Risk Committee and the Board that the risk management system is operating effectively in all material respects in relation to financial reporting risks.

The Company has, in accordance with the Australian Standard on risk management AS/NZS ISO 31000:2009, developed a risk statement and underlying procedures for the key risk areas of People, Environment, Business and Reputation. The Company has in the past undertaken external audits or reviews engagements of particular types of risk as deemed appropriate. A copy of the risk statement and the risk management policy are available in the shareholder information section of the Company’s website.

The Group does not currently have an independent internal audit function, the Board being of the view that the size and complexity of the Company does not warrant such a function. The Group’s operations and facilities are however, subjected to regular audits, performed by a mix of internal safety and auditing experts, and external consultants, under an annual program of Health, Safety, Environment and Quality audits. In addition, the Audit and Risk Committee engages external consultants to review areas of the business as it sees fit, with a number of these performed during the year.

Given the nature of AJ Lucas’ operations, there are many factors that could impact the Group’s operations and results. The material business risks that could have an adverse impact on AJ Lucas’ financial prospects or performance include economic risks, health, safety and environmental risks, community and social licence risks and legal risks. These may be further categorised as external risks, operational risks, UK business and licencing risks, sustainability risks and financial risks. A description of the nature of the risk and how such risks are managed is set out below. This list is neither exhaustive nor in order of importance.

The Group’s material exposures to risk, and how the Group responds and manages these risks is detailed below.

Material Risks	Risk Management Approach
External Risks	
Risks may arise from the flow through of commodity demand or pricing from major markets into our customer base as well as foreign exchange, regulatory, safety and political events that may impact the long-term sustainability of our customers’ business model.	Client focused organisational design, with a focus on regular communication with key clients addressing various matters including safety, contract performance and clients future work programs. Continual repositioning of the business, and a focus on efficiency and cost reduction to meet current client expectations on existing work programs, whilst anticipating upcoming changes in customer demand. We have a strategy of focusing our business development efforts on new and growing existing customers. We have reduced reliance on our largest customer from 52% in financial year 2023 to 25% in the 2025 financial year. Where appropriate the broadening of our portfolio of service offerings, commodity and geographical exposure is considered to reduce the effect of volatility introduced by these external risks where it makes sense to do so.

Corporate Governance Report

for the year ended 30 June 2025

Material Risks

Risk Management Approach

Financial Risks

Volatility in commodity markets may adversely impact future cash flows and, as such, our credit rating and ability to source capital from financial markets. In addition, our commercial counterparties may as a result of adverse market conditions fail to meet their commercial obligations.

The Company monitors financial and commodity markets in order to anticipate future impacts on client demand and the Groups access to capital in financial markets.

The Group reacts to actual and anticipated changes in demand from customers by taking measures to bring forward future work scopes, adjusting its fixed costs and if required restructuring its internal focus. Ultimately, we seek to continuously improve our credit rating and key financial ratio analysis to monitor potential volatility in this area. Similarly, all customers and key suppliers credit limits are reviewed before services are established.

The Group's key finance facilities were refinanced in May 2025 and currently mature between May 2027 and July 2027. The Company has engaged advisors to assist it to determine the best options available and extend or refinance its financial liabilities at that stage. The company has also raised additional capital from equity markets in September 2022 and will consider raising further equity if the Board forms a view this is in the best interest of the Company.

Operational Risks

Cost pressures and reduced productivity could negatively impact both operating margins and our market competitiveness. Similarly, a significant adverse and unexpected natural or operational event could impact operations in a materially negative manner, as could a breach in IT and other security processes.

We seek to maintain adequate operating margins across our business by monitoring in absolute and relative terms the performance of all assets against both internal and external commercial benchmarks. Our concentrated effort to reduce costs and hence maintain competitiveness and margin has yielded tangible results in reducing our controllable costs. This includes initiatives to standardise processes and control systems across the Group.

The Lucas Management System ("LMS") is an integrated process by which we manage this standardised approach.

Through the regular application of our risk management procedures, we identify the potential for significant and or unexpected risks and implement the controls appropriate to remove or mitigate them.

Business continuity plans are developed for all our IT systems such that the integrity of our systems allows us to recover from a "disaster event" with little impact on the daily operations.

Sustainability Risks

Injuring employees, damaging the environment or having material regulatory or governance failures may put at risk our social licence to operate or significantly impact our reputation such that customers and / or capital markets may shun us.

The LMS puts in place a significant set of requirements to ensure a safe work environment of our employees, and the operation of our assets and equipment while striving for sustainability and minimising damage to the environment. Inclusive in this are the control and governance requirements required of good finance and accounting procedures. A broad range of policies and procedures outline both expected and required actions and behaviours of management and staff to achieve these objectives.

Maintenance of a safe working environment is a principal accountability of all levels of management.

The Board holds itself to account against the standards outlined in the ASX Corporate Governance Principles and Recommendations 4th edition as an example of good governance and reporting procedures and requirements.

Cyber Risk

A cyber event may lead to adverse disruption to the Group's critical business processes, potential breaches of privacy and theft of commercially sensitive information impacting the Group's profitability and reputation.

The integrity, availability and confidentiality of data within the Group's information and operational technology systems may be subject to intentional or unintentional disruption (for example, from a cyber security attack). As such, cyber security risk management is incorporated into the Group's risk management and assurance processes and practices across the Company's business and operational information management systems. The Group has and continues to invest in robust processes and technology, supported by specialist cyber security skills to prevent, detect, respond and recover from such attacks should one occur. In addition, the Company continues to expand validation of existing controls through periodic penetration testing, phishing simulations and cyber exercises.

Material Risks

Risk Management Approach

Climate Change

AJ Lucas is likely to be subject to increasing regulations and costs associated with climate change and management of carbon emissions.

Strategic, regulatory and operational risks and opportunities associated with climate change are incorporated into the Company's policy, strategy and risk management processes and practices. The Company actively monitors current and potential areas of climate change risk and will consider actions to prevent and/or mitigate any impacts on its objectives and activities where it considers appropriate. The Group does not currently have targets to reduce carbon emissions. Reduction of waste and emissions is an integral part of delivery of cost efficiencies and forms part of the Company's operations.

AJ Lucas is aware of the mandatory climate-related financial reporting requirements that are now law in Australia after the Treasury Law Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 passed Parliament and received Royal Assent in September 2024. The amendments set out new climate-related financial reporting requirements for entities that are required to lodge financial reports under Chapter 2M of the Corporations Act 2001. Mandatory climate disclosure will begin for financial year on or after 1 January 2025. The Group will be required to prepare its first sustainability report in Financial Year 2028, being a Group 3 reporter.

The Group must prepare a sustainability report that contains disclosures that are prepared in accordance with Australian Sustainability Reporting AASB 52 Climate - related disclosures. The firm that is the financial statement auditors must provide assurance over the entity's sustainability report (noting that assurance will be progressively phased in).

AJ Lucas will continue to monitor developments in laws, regulations and standards, as well as general business practice, to ensure it complies with or exceeds any future requirements imposed.

Remuneration

The Human Resources and Nominations Committee reviews the remuneration of the non-executive directors, and key executives. The Human Resources and Nominations Committee's responsibilities are documented in the Human Resources and Nominations Committee Charter which is available in the shareholder information section on the Company's website. The number of meetings and who attended those meeting throughout the year is disclosed in the Directors' report.

The Human Resources and Nominations Committee currently consists of following membership:

Committee Member	Status at date of report
Julian Ball	Committee Chairman and Independent Director
Andrew Purcell	Independent Non-Executive Director
Austen Perrin	Independent Non-Executive Director

Following the Board's release of Julian Ball as Independent in August 2024, the Committee Chairman and the Committee members are all independent. Prior to August 2024 the Committee's Chairman was non executive and the Committee members were independent. The Board is of the opinion that, given the experience and skills of each member, the composition of the committee is the most qualified and appropriate during that time.

The remuneration of non-executive directors is based on a benchmark of a selection of comparable peer companies as well as the average and medium remuneration paid by the top 300 ASX listed companies.

The level of non-executive director remuneration was altered with effect from 1 July 2018 to be in line with the average level of ASX 300 companies. Remuneration of Directors is disclosed in the Remuneration Report.

The Company's non-executive directors receive fees for acting as a Director of the Company. Additional fees are payable to a chairman of a Board committee in recognition of additional time and effort required. Additional fees may in certain circumstances be payable for representing the Group in specific matters from time to time.

Senior executives are remunerated based on a fixed wage plus incentive payments. The policies and practices for remuneration of Key Management Personnel is disclosed in the Remuneration Report. There is currently no minimum shareholding requirement to be a Director, and there are no equity-based incentive schemes in place.

Trading in Company securities

The Company has in place a Securities Trading Policy which restricts the times and circumstances in which directors, senior executives and certain employees may buy or sell shares in the Company. These persons are required to seek approval from the Company Secretary prior to trading.

Directors must also advise the Company, which advises the ASX on their behalf, of any transactions conducted by them in the Company's securities within five business days after the transaction occurs. The Securities Trading Policy is available in the shareholder information section of the Company's website.