

ABN: 80 009 116 269

## CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2009

The Board of Directors of Joyce Corporation Ltd ("the Company") is responsible for the corporate governance of the Consolidated Entity. The Board monitors the business affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**"), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice.

Further information about the Company's charters, policies and procedures may be found at the Company's website at [www.joycecorp.com.au](http://www.joycecorp.com.au), under the section marked Governance.

### Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2008/2009 financial year ("**Reporting Period**").

#### Principle 1: Lay Solid Foundation for Management and Oversight

##### Recommendation 1.1:

*Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.*

##### Disclosure:

The Board and senior management of the Company are committed to acting responsibly, ethically and with high standards of integrity as the Company strives to create shareholder value. The Board accepts responsibility for the overall corporate governance of the Company and has consequently developed and adopted corporate governance practices and policies that have been implemented throughout management and governance.

The Company has established the functions reserved to the Board and is in the process of formalising these functions in a Board Charter. The Board's primary role is the optimisation of Company performance and protection and enhancement of shareholder value. Its functions and responsibilities includes setting strategic and policy direction, monitoring performance against strategy, identifying principal risks and opportunities and ensuring risk management systems are established and reviewed, approving and monitoring financial reports, capital management, compliance, significant business transactions and investments, appointing senior management and monitoring performance, remuneration, development and succession, adopting procedures to ensure the business of the Company is consistent with Company values, continuous disclosure compliance, ensuring effective shareholder communication, ensuring the Board remains appropriately skilled, reviewing and approving corporate governance systems and enhancing and protecting the Company's reputation.

The Board is also governed by the Company's constitution, and on appointment each Director is provided with a formal letter of appointment setting out key terms and conditions of the appointment, their duties and responsibilities, the role of the Board and committees, the Company's constitution and the Company's policies.

The Board has delegated the authority and responsibility to manage and administer the Company's general operations to its Managing Director, and its financial operations to its Chief Financial Officer. The Company has in place formal letters of engagement for its senior management, setting out in further detail the responsibilities specifically delegated to them.

The Company has established the functions delegated to senior executives and will set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

**Recommendation 1.2:**

*Companies should disclose the process for evaluating the performance of senior executives.*

**Disclosure:**

Evaluation of the Managing Director is carried out by the Remuneration Committee each year together with the ongoing monitoring of management and Company performance, with informal discussions undertaken as required. The Managing Director conducts a formal review each year assessing the performance of Senior Executives and reports back to the Board.

**Recommendation 1.3:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 1."*

**Disclosure:**

The Remuneration Committee conducted an evaluation of the Managing Director during the reporting period. The Managing Director conducted an evaluation of Senior Executives during the reporting period. The performance evaluation was undertaken in accordance with the process disclosed above.

**Principle 2: Structure the Board to add value**

**Recommendation 2.1:**

*A majority of the Board should be independent Directors.*

**Disclosure:**

The Board is currently comprised of five Directors with four being non-executive Directors, including the Chairman and one executive Director being the Managing Director. The Company complies with this recommendation, as three of the five Directors are considered independent.

The independent Directors of the Company are:

- Mr M Gurry (Non-Executive Director and Chairman of the Audit Committee)
- Mr T Hantke (Non-Executive Director and Chairman of the Remuneration Committee)
- Mr A Mankarios (Non-Executive Director)

The Board regularly assesses the independence of each Director with the intention to have a majority of Directors being independent. Each Director is required to provide to the Board all relevant information to assist the Board in this regard.

The Board will continue to monitor developments and consider any guidelines that may be issued with respect to the maximum tenure of Directors in order to meet 'independence' guidelines.

**Recommendation 2.2:**

*The Chair should be an independent Director.*

**Disclosure:**

The Chairman is not considered independent due to the size of the shareholding in his control.

**Explanation for Departure:**

The Board has decided to continue with Mr D Smetana as Chairman in recognition of his considerable experience with the Company and expertise that complements the skills and experience of the other Board members and the Managing Director. The Company deals with the lack of independence of the Chairman by ensuring that conflicts of interest are adequately disclosed and the Chairman abstains from voting on matters where they have (he has), or it is perceived they have (he has) a beneficial interest in the outcome of the matters.

**Recommendation 2.3:**

*The roles of the Chair and Managing Director should not be exercised by the same individual.*

**Disclosure:**

The Managing Director is Mr Mahoney who is not Chair of the Board.

**Recommendation 2.4:**

*The Board should establish a Nomination Committee.*

**Notification of Departure:**

The Company has not established a separate Nomination Committee.

**Explanation for Departure:**

The Board considers the present Directors are able to discharge the responsibilities of a Director, having regards to the law and the highest standards of governance. Should a vacancy exist, for whatever reason, or where considered that the Board would benefit from the services of a new Director, the Board will select appropriate candidates with relevant qualifications, skills and experience. The Board has not established a separate Nomination Committee as, due to the Company's size, the simplicity of its operations, the Board's size and the cost effectiveness of the Board's current operations, the Board considers such a separate Nomination Committee is not warranted or commercially viable and its functions and responsibilities can be adequately and efficiently discharged by the Board as a whole. The Board assesses the experience, knowledge and expertise of potential Directors before any appointment is made.

Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. The Board deals with any conflicts of interest that may occur when convening in the capacity of Nomination Committee by ensuring the Director with conflicting interests is not party to the relevant discussions.

**Recommendation 2.5:**

*Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.*

**Disclosure:**

The Company has adopted self evaluation processes to measure Board performance. The performance of all Directors is assessed through analysis and review by, and discussion with, the Chair on issues relating to individual Directors' attendance at and involvement in Board meetings, interaction with management, performance of allocated tasks and any other matters identified by the Chair or other Directors. Evaluation of any Board committees is conducted on a similar basis. Due to the Board's assessment of the effectiveness of these processes, the Board has not formalised qualitative performance indicators to measure individual Director's performance.

**Recommendation 2.6:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 2."*

**Disclosure:**

**Skills, Experience, Expertise and Term of Office of each Director**

The composition of the Board has been determined on the basis of providing the Company with the benefit of a broad range of commercial, administrative and financial skills, combined with an appropriate level of experience at a senior corporate level. The names and further information regarding the skills, experience, qualifications, relevant expertise and term of office of the Directors are set out in the most recent Directors' Report.

**Board Access to Information and Independent Advice**

All Directors have access to employees and, subject to the law, access to all Company records and information held by employees and external advisers. The Board receives regular detailed financial and operational reports from senior management to enable it to carry out its duties.

Consistent with ASX Principle 2, the Company allows each Director to seek individual external advice at the expense of the Company.

**Committees of the Board**

The Board has established an Audit Committee and a Remuneration Committee to assist the Board in the discharge of its responsibilities.

Further information about the Audit Committee is provided in the statement under *Principal 4: Safeguard Integrity in Financial Reporting*.

Further information about the Remuneration Committee is provided in the statement under *Principal 8: Remunerate Fairly and Responsibility*.

**Identification of Independent Directors**

The policy on Director Independence defines an independent Director as a non-executive Director (not a member of management) and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with the independent exercise of their judgment.

In determining the independent status of a Director the Board considers whether the Director:

- is a substantial shareholder of the Company (as defined by the Corporations Act) or an officer of, or otherwise associated directly or indirectly with, a substantial shareholder the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional adviser or a material consultant to the Company, or another group member, or an employee materially associated with the service provider;
- is a material supplier or customer of the Company, or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or another group member, other than as a Director of the Company.

Materiality is assessed on a case-by-case basis with reference to each Director's individual circumstances, rather than by applying general materiality thresholds.

## **Nomination Matters**

The full Board carries out the role of the Nomination Committee. The full Board did not officially convene as a Nomination Committee during the Reporting Period; however the Board discusses nominated-related matters from time to time during the year as required.

The explanation for departure set out under Recommendation 2.4 above explains how the functions of the Nomination Committee are performed.

## **Performance Evaluation**

During the Reporting Period no review or evaluation of the performance of the Board, individual Directors and applicable Committees was undertaken in accordance with the process disclosed at Recommendation 2.5.

## **Selection and (Re)/Appointment of Directors**

The Company has not established (and therefore has not made publicly available) a formal Policy and Procedure for Selection and (Re)/Appointment of Directors.

In determining candidates for the Board, the Nomination Committee (or equivalent) considers the balance of independent Directors on the Board as well as the skills and qualifications of potential candidates that will best enhance the Board's effectiveness.

The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Under the Company's constitution, at every annual general meeting one third of the Directors (except the Managing Director) must retire from office and is eligible for re-election at that meeting. The Directors to retire must be those who have been longest in office since their last election and, in any event, Directors cannot hold office for more than three years without submitting themselves for re-election. Re-appointment of Directors is not automatic.

## **Principle 3: Promote Ethical and Responsible Decision Making**

### **Recommendation 3.1:**

*Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

### **Disclosure:**

The Board has adopted a Code of Conduct for Directors to promote ethical and responsible decision making by Directors. The Code is based on a code of conduct for Directors prepared by the Australian Institute of Company Directors and embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of shareholder opportunity.

The principles of the Code are:

- A Director must act honestly, in good faith and in the best interests of the Company as a whole.
- A Director has a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- A Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- A Director must not take improper advantage of the position of Director.
- A Director must not allow personal interests, or the interests of any associated person, to conflict with the interests of the Company.
- A Director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

# Joyce Corporation Ltd

- Confidential information received by a Director in the course of the exercise of directional duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- A Director should not engage in conduct likely to bring discredit upon the Company.
- A Director has an obligation at all times, to comply with the spirit, as well as the letter of the law and with the principles of the Code.

The Managing Director is responsible to the Board for the day-to-day management of the Company.

The Company has adopted a Code of Ethics and Conduct for all employees and Directors of the Company which details policies, procedures and guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability. The Directors of the Company are also obliged to comply with the Code of Conduct for Directors.

## *Objective*

The code of Ethics and Conduct confirms that the Company's primary objective is to provide a satisfactory return to shareholders. The Company aims to achieve this by:

- Satisfying the needs of the customers and Franchisees through the provision of goods and services on a competitive and professional basis;
- Providing a safe and fulfilling working environment for employees, rewarding good performance and providing opportunities for advancement;
- Conducting existing operations in an efficient manner and by seeking out opportunities for expansion;
- Responding to the attitudes and expectations of the communities in which the Company operates;
- Acting with integrity and honesty in dealings both inside and outside the group.

## *Values*

All employees are expected to:

- Respect the law and act in accordance with it;
- Respect confidentiality and not misuse information, assets or facilities;
- Value and maintain professionalism;
- Avoid real or perceived conflicts of interest;
- Act in the best interests of shareholders;
- By their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the communities and environments in which it operates;
- Perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- Exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with Franchisees, customers, suppliers, and the public generally; and
- Act with honesty, integrity, decency and responsibility at all times.

Under the Code of Ethics and Conduct, all employees are required to comply with the letter and spirit of all applicable laws and regulations in performance of their duties and their dealings with fellow employees, customers, Franchisees, suppliers and all third parties with whom they have contact in the performance of their duties. In addition, all employees have a responsibility to adhere to the Code and ensure that no breaches occur. An employee who breaches the Code may face disciplinary action.

If an employee suspects that a breach of the Code has occurred or will occur, he or she must report that breach to the appropriate Company manager.

No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential. In addition, the whistleblower provisions of the Corporations Act 2001 provide specific protection to employees who report breaches or suspected breaches of Corporations Legislation under certain circumstances.

Responsibility for the administration, implementation and periodic review of the Code of Ethics and Conduct lies with the Company Secretary, in consultation with the Managing Director.

### **Recommendation 3.2:**

*Companies should establish a policy concerning trading in Company securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.*

#### **Disclosure:**

Apart from observing all legal requirements, it is the policy of the Board that all Directors and Senior Executives advise the Board before dealing in Joyce Corporation Ltd shares. In order to encourage as active a market as possible in Company shares Directors and Senior Executives are encouraged to trade in Company shares except during periods when they are aware of material matters or activities which are not yet known by the market in general. For example during the period from the finalisation of the annual and half yearly results and their release, The Board will not authorise trading in Joyce Corporation Ltd shares by Directors or Senior Executives if, in its opinion, that Director or Executive has knowledge of any fact that may affect the share price. The Board also accepts responsibility for reviewing any transactions between the Company and Directors or any interest associated with Directors, to ensure the structure and the terms of the transaction is in compliance with the Corporations Act 2001 and is properly disclosed.

### **Recommendation 3.3:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 3."*

#### **Disclosure:**

Please refer to the disclosure in Recommendation 3.1 and Recommendation 3.2 above for a summary of the Code of Conduct and Trading Policy.

## **Principle 4: Safeguard Integrity in Financial Reporting**

### **Recommendation 4.1:**

*The Board should establish an Audit Committee.*

#### **Disclosure:**

The Company has established an Audit Committee.

### **Recommendation 4.2:**

*The Audit Committee should be structured so that it:*

- *consists only of non-executive Directors*
- *consists of a majority of independent Directors*
- *is chaired by an independent Chair, who is not Chair of the Board*
- *has at least three members.*

**Disclosure:**

The Company considers that it complies with this requirement.

The Audit Committee comprises of:

- Mr M A Gurry (Chairman of the Audit Committee)
- Mr A Mankarios
- Mr T R Hantke
- Mr D Smetana

**Recommendation 4.3:**

*The Audit Committee should have a formal charter.*

**Disclosure:**

The Company has adopted an Audit Committee Charter.

**Recommendation 4.4:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 4."*

**Disclosure:**

Details of each of Director's qualifications and attendance at the Audit Committee meetings are set out in the Directors' Report. All Directors are financially literate and have an understanding of the industry in which the Company operates.

**Appointment of Auditor**

The effectiveness, performance and independence of the external auditor are reviewed by the Audit Committee. If it becomes necessary to replace the external auditors for performance or independence reasons, the Audit Committee will formalise the procedure and policy for selecting a new external auditor.

**Audit Committee**

The Audit Committee monitors internal control policies and procedures designed to safeguard Company assets and to maintain the integrity of financial reporting, which is consistent with ASX Principle 4. The responsibilities of the Audit Committee are set out in its Charter. A copy of the Audit Committee Charter is available on the Company's website under Governance.

**Principle 5: Make Timely and Balanced Disclosure****Recommendation 5.1:**

*Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.*

**Disclosure:**

The Company has established procedures to ensure there is timely disclosure to the ASX of price sensitive information which may have a material effect on the price or value of the entity's securities.

The Company also posts announcements on its web site to complement the official release of information to the market.

**Recommendation 5.2:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 5."*

**Disclosure:**

A copy of the Continuous Disclosure Policy is available on the Company's website in the Governance section.

**Principle 6: Respect the Right of Shareholders**

**Recommendation 6.1:**

*Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.*

**Disclosure:**

The Company has an effective shareholder communication procedure. Communication of information to shareholders is through the distribution of an annual report and half yearly report, announcements through the ASX and the media regarding changes in its business.

The Company's annual general meeting is a major forum for shareholders to ask questions about the Company performance and the external auditors also are invited to attend the annual general meeting and answer shareholder questions.

The Company maintains a web site which includes copies of all Corporate Governance policies and procedures as well as all shareholder communications both current and historical.

**Recommendation 6.2:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 6."*

**Disclosure:**

A copy of the Shareholders Communications Policy is available on the Company's website in the Governance section.

**Principle 7: Recognise and Manage Risk**

**Recommendation 7.1:**

*Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.*

**Disclosure:**

The Company has developed a Risk Management and Oversight Policy, which sets out systems for risk oversight, management and internal control. A copy of this policy is available on the Company website.

The Board oversees the assessment of risks across the Company and the establishment and implementation of risk management procedures and controls. The Board has delegated some of its responsibilities to the Audit Committee; however, the Board maintains the overall responsibility for the process. The Company's senior management are delegated the tasks of managing operational risks and the implementation of risk management strategies.

The Board approves risk management systems and reviews them regularly. At each Director's meeting the Board receives a risk management update from management and considers any necessary controls required to monitor and oversee the material risks of the Company.

The Company's risk management systems and control frameworks currently include the Board's ongoing monitoring of management and operational performance, a comprehensive system of budgeting, forecasting and reporting to the Board, regular presentations to the Board by management on the management of risk, approval procedures for significant capital expenditure above threshold levels, the functioning of the Audit Committee, written policies on specific activities and corporate governance, communication between the Board and external auditors.

The Board recognises that material risks facing the Company are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of the Company's objectives and successful implementation of its business strategies.

The material risks, both financial and non-financial, currently assessed as facing the Company are as follows:

- Financial risk;
- Legal risk/contract compliance
- Asset protection;
- Interest rate risk;
- Environmental risk, and
- Statutory compliance

The Board considers these identified material risks as part of its regular risk management reviews or as a result of regular interaction with management and other relevant staff.

**Recommendation 7.2:**

*The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.*

**Disclosure:**

Management maintains the risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. Further, the Board has received a report from management as to the effectiveness of the Company's management of its material business risks.

**Recommendation 7.3:**

*The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.*

**Disclosure:**

The Board requires assurance from the Managing Director and Chief Financial Officer that the declaration in relation to section 295A of the Corporations Act is founded in a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.

**Recommendation 7.4:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 7."*

**Disclosure:**

The Board has received the report from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.2

The Board has received the assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3.

A copy of the Risk Management and Oversight Policy is available on the Company's website in the Governance section.

**Principle 8: Remunerate Fairly and Responsibly**

**Recommendation 8.1:**

*The Board should establish a Remuneration Committee.*

**Disclosure:**

The Company has established a Remuneration Committee.

**Recommendation 8.2:**

*Companies should clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives.*

**Disclosure:**

Non-executive Directors are remunerated at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to the performance of the Company.

Pay and rewards for Executive Directors and senior executives consists of a base salary and performance incentives. Executives are offered a competitive level of base pay at market rates and are reviewed annually to ensure market competitiveness.

**Recommendation 8.3:**

*Companies should provide the information indicated in the "Guide to reporting on Principle 8."*

**Disclosure:**

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms a part of the Directors' Report. The Company's remuneration policies are reflected in the Company's Remuneration Committee Charter.

A copy of the Remuneration Committee Charter is available on the Company's website under Governance.

The Remuneration Committee comprises of the following Directors:

Mr T R Hantke (Chairman of the Remuneration Committee)  
Mr R Mahoney  
Mr A Mankarios

Details of each of the Director's attendance at the Remuneration Committee meeting are set out in the Directors' Report. There are no termination or retirement benefits for non-executive Directors (other than superannuation).

During the Reporting Period the Company did not publicly disclose its policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes. However, the Company's position is that such transactions are prohibited.

The Remuneration Committee is responsible for the performance review process for both the Board and the Managing Director.

The Board undertakes an ongoing review in relation to its composition and skills mix of the Directors of the Company.

## Disclosure of Corporate Governance Practices Summary Statement

No.	Recommendation	Disclosure
1.1:	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	Comply
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Comply
1.3	Companies should provide the information indicated in the “Guide to reporting on Principle 1.”	Comply
2.1	A majority of the Board should be independent Directors.	Comply
2.2	The Chair should be an independent Director.	Departure from the recommendation. Refer to Corporate Governance Statement
2.3	The roles of the Chair and Managing Director should not be exercised by the same individual.	Comply
2.4	The Board should establish a Nomination Committee.	Departure from the recommendation. Refer to Corporate Governance Statement
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors.	Comply
2.6	Companies should provide the information indicated in the “Guide to reporting on Principle 2.”	Comply
3.1	Companies should establish a Code of Conduct and disclose the code or a summary of the code as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Comply
3.2	Companies should establish a policy concerning trading in Company securities by Directors, senior executives and employees, and disclose the policy or a summary of that policy.	Comply
3.3	Companies should provide the information indicated in the “Guide to reporting on Principle 3.”	Comply
4.1	The Board should establish an Audit Committee.	Comply

## Disclosure of Corporate Governance Practices Summary Statement

No.	Recommendation	Disclosure
4.2	The Audit Committee should be structured so that it: <ul style="list-style-type: none"><li>consists only of non-executive Directors</li><li>consists of a majority of independent Directors</li><li>is chaired by an independent Chair, who is not Chair of the Board</li><li>has at least three members.</li></ul>	Comply
4.3	The Audit Committee should have a formal charter.	Comply
4.4	Companies should provide the information indicated in the "Guide to reporting on Principle 4."	Comply
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Comply
5.2	Companies should provide the information indicated in the "Guide to reporting on Principle 5."	Comply
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Comply
6.2	Companies should provide the information indicated in the "Guide to reporting on Principle 6."	Comply
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Comply
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	Comply
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Comply

## Disclosure of Corporate Governance Practices Summary Statement

No.	Recommendation	Disclosure
7.4	Companies should provide the information indicated in the “Guide to reporting on Principle 7.”	Comply
8.1	The Board should establish a Remuneration Committee.	Comply
8.2	Companies should clearly distinguish the structure of non-executive Directors’ remuneration from that of executive Directors and senior executives.	Comply
8.3	Companies should provide the information indicated in the “Guide to reporting on Principle 8.”	Comply