

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

CEDAR WOODS PROPERTIES LIMITED

ABN/ARBN

47 009 259 081

Financial year ended

30 JUNE 2015

Our corporate governance statement² for the above period above can be found at:³

☐ these pages of our annual report: _____

☒ this URL on our website: <http://www.cedarwoods.com.au/investor-relations/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 25 August 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 26 August 2015

Sign here:



Company secretary

Print name: PAUL FREEDMAN

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i> ... and a copy of our diversity policy or a summary of it: ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance ... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i> ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at this location: Directors' report in the annual financial report [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable During the year the composition of the committee was changed so that there is now a majority of independent directors and therefore the company now complies with this requirement.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: Directors' report in the annual financial report ... where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: Not applicable ... the length of service of each director: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: Directors' report in the annual financial report	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
<u>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</u>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
<u>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</u>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at this location: Directors' report in the annual financial report [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</u>		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
<u>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</u>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u> (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity’s risk management framework.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i> ... and a copy of the charter of the committee: ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: Directors’ report in the annual financial report [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose:	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable During the year the composition of the committee was changed so that there is now a majority of independent directors and therefore

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	... and a copy of the charter of the committee: ☒ at this location: http://www.cedarwoods.com.au/investor-relations/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at this location: Directors' report in the annual financial report [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at this location: _____ <i>Insert location here</i>	the company now complies with this requirement.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement OR ☒ at this location: Remuneration report section of the Directors' report in the annual financial report	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at this location: Remuneration report section of the Directors' report in the annual financial report	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Statement

The Board of Cedar Woods Properties Limited is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

A description of the group's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

Listed entities are required to disclose the extent to which they have followed the Corporate Governance Principles and Recommendations (Principles and Recommendations) set by the Australian Securities Exchange Corporate Governance Council. Where the company's procedures are not in compliance with the Principles and Recommendations for part or all of the year, this is referred to below. It is noted that the Principles and Recommendations are not compulsory for listed companies but that an explanation is required where compliance is not achieved. The Principles and Recommendations referred to below are those contained in the 3rd edition issued in March 2014.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board of directors

The Board is accountable to shareholders for the performance of the group. The Board sets the group's strategic direction and delegates responsibility for the management of the group to the Managing Director and senior executives. The group's strategic plan is prepared by management and is reviewed annually by the Board at a special Board meeting.

Chairman and Managing Director

The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring directors are properly briefed for meetings. The Managing Director is responsible for implementing strategies and policies. The Board charter specifies that the Chairman cannot be the Managing Director or a former Managing Director of the company.

The Chairman meets regularly with the Managing Director.

Board responsibilities

The responsibilities of the Board include:

- setting the group's values and standards of conduct and ensuring these are adhered to in the interests of all stakeholders;
- approving policies, strategies, budgets, and plans;
- assessing performance against strategies to monitor both the suitability of those strategies and the performance of management and the Board itself;
- reviewing operating information to understand the group's position, and approving financial and other reporting;
- identifying areas of significant business risk and ensuring systems and procedures are in place to manage those risks;
- considering management recommendations on key issues – including acquisitions, funding and significant capital expenditure;
- monitoring progress in relation to the group's diversity objectives and compliance with its diversity policy;
- ensuring that the company and its subsidiaries act legally and responsibly on all matters and that the highest ethical standards are maintained;
- appointing, terminating and reviewing the performance of the Managing Director;
- ratifying the appointment and, where appropriate, removal of the Chief Financial Officer and the Company Secretary;
- ratifying the terms of appointment of senior management; and
- reporting to shareholders.

A performance assessment for senior executives takes place annually. The process for these evaluations is described on the company's website.

The company conducts appropriate background checks before appointing a person to the Board. The checks include those on the person's character, experience, education, criminal record and bankruptcy history. Shareholders are provided all material information relevant to a decision on whether or not to elect or re-elect a director.

All directors, including new directors are provided with a letter of appointment setting out the responsibilities, rights and the terms and conditions of their employment. They are also provided with a copy of the corporate

governance framework including the Code of Conduct. A formal induction is held for new non-executive directors which covers financial, operational and risk management issues.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Diversity policy

The company recognises the benefits that diversity can bring to the organisation. Accordingly the company has developed a diversity policy, a copy of which can be found on the company's website. This policy outlines the company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity and for the Board to assess annually, both the objectives and the company's progress in achieving them.

In accordance with this policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity. The aim is to achieve these objectives as director and senior executive positions become vacant and appropriately skilled candidates are available:

	Objective	Actual at 30 June 2015	
	%	Number	%
Number of women employed in the whole organisation	40	26	42
Number of women in management positions	30	6	18
Number of women in senior executive positions	20	-	-
Number of women on the Board	20	-	-

Senior executive positions are those that report directly to the Managing Director. Responsibility for diversity has been included in the Board charter, the Nomination Committee charter (Board diversity) and the Human Resources & Remuneration committee charter (diversity at all levels of the company below Board level).

Performance assessment

The Board undertakes an annual self-assessment of its performance and that of its committees. The assessment includes a review of the Board charter, Board composition, committee structure and functions of the Board. Each Board committee also undertakes an annual self-assessment of its performance and achievement of committee objectives. At the last review, no material changes were made to the governance framework, as a result.

Part of the performance evaluation of the Board is to review the independence of directors and ensure directors collectively have the appropriate mix of skills required to maximise their effectiveness and ensure the group is able to meet its goals and objectives. The Board is satisfied that it is discharging its obligations and that the group is well positioned to continue to meet its goals and objectives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Composition of the Board

The Board operates in accordance with the broad principles set out in its charter which is available on the company's website. The charter details the Board's composition and responsibilities.

The charter states:

- the Board should comprise between 3 and 10 directors;
- the Board should comprise directors with a broad range of skills and experience that are relevant to the property development industry so that it has a proper understanding of, and competence to deal with, the current and emerging issues of the business;
- the Board is to establish measurable objectives for Board gender diversity and assess annually the objectives and progress in achieving them;
- a majority of the Board should be non-executive; and
- the Chairman is elected by the full Board.

At present, having regard to the size of the consolidated entity and the present composition of the Board, the company does not currently satisfy Recommendations 2.4 and 2.5 which require that a majority of the

directors, including the Chairman, be independent. However future appointments to the Board and to the position of Chairman will be made having regard to the Recommendations.

The company's constitution specifies that all directors (with the exception of the Managing Director) must retire from office no later than the third annual general meeting following their last election. Where eligible, a director may stand for re-election.

Directors' independence

The Board has adopted the principles for assessing independence from the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council. These state that when determining independence the Board should consider whether the director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of \$150,000 in any one financial year is considered material for the purposes of contracts or commercial transactions listed above. Purchases of the group's products by directors under normal terms and conditions, and director's fees, shall ordinarily be ignored for the purpose of the materiality test.

Board members

Details of the members of the Board, their experience, expertise, qualifications, term of office and independence status as required by Recommendation 2.3, are set out on the company's website under 'Board members'.

A summary of the Board's skills matrix, as required by recommendation 2.2, is set out below.

Skill / Experience	Competency
1. Professional Skills	
Board of Directors experience	Experience in serving on public sector, private sector or not-for-profit boards.
Strategy	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of various industry trends.
Corporate governance	Knowledge and experience in best practice corporate governance structures, policies and processes.
Executive management	Experience at an executive level including the ability to: • appoint and evaluate the performance of the CEO and senior executive managers • oversee strategic human resource management including workforce planning, and employee relations • oversee organisational change and development.
Commercial experience	A broad range of commercial/business experience, in areas including marketing, finance and business systems, practices and improvement.
Community and stakeholder engagement	High level reputation and networks in the industry and community including with community members and organisations, and the ability to effectively engage and communicate with those stakeholders.
Financial performance	Qualifications and experience in accounting and/or finance and the ability to: • analyse key financial statements • critically assess financial viability and performance • contribute to strategic financial planning • approve and monitor budgets and the efficient use of resources • approve funding arrangements.
Risk and compliance oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance.
2. Industry Skills	
Property expertise	Knowledge of residential property development. • demand drivers • buyer types and demographics • approval processes • product types and innovation
Geographic	Good networks in state markets.
Marketing	Experienced in consumer marketing.
Capital markets	Experienced in equity and debt markets and capital management techniques.

Skill / Experience	Competency
3. Personal Attributes Integrity	A commitment to: - understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge in this regard through professional development - being transparent and declaring any activities or conduct that might be a potential conflict - maintaining board confidentiality.
Effective listener and communicator	The ability to: - listen to, and constructively and appropriately debate, other people's viewpoints - develop and deliver cogent arguments - communicate effectively with a broad range of stakeholders.
Constructive questioner	The preparedness to ask questions and challenge management and peer directors in a constructive and appropriate way.
Contributor and team player	The ability to work as part of a team, and demonstrate the passion and time to make a genuine and active contribution to the Board.
Commitment	A visible commitment to the purpose for which Cedar Woods has been established and operates, and its on-going success.
Influencer and negotiator	The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain stakeholder support for the Board's decisions.
Critical and innovative thinker	The ability to critically analyse complex and detailed information, readily distill key issues, and develop innovative approaches and solutions to problems.

There are four non-executive directors, two of whom are deemed independent under the principles set out above. There is one executive director who is the Managing Director. In addition there is one non-executive alternate director.

Commitment

The Board held 7 Board meetings during the 2015 financial year, including a special meeting to consider the Corporate Plan.

In addition, all of the non-executive directors are members of Board committees and the number of Board committee meetings attended each year is shown in the directors' report in the annual report. Prior to appointment, non-executive directors are required to acknowledge that they will have time available to properly discharge their responsibilities to the group. The annual performance assessment of Board members also addresses this issue.

It is the company's practice to allow its executive director to accept appointments outside the company with the prior approval of the Board. No appointments of this nature were accepted during the year ended 30 June 2015.

Ongoing development

Directors are provided the opportunity to maintain and further their skills and knowledge by participating in professional development courses and attending Board briefings, including ongoing briefings on developments in accounting standards and taxation. The Company is a corporate member of AICD and other industry bodies that provide development opportunities.

Conflict of interests

Should entities connected with the directors have business dealings with the consolidated entity during the year, the directors concerned declare their interests in those dealings and take no part in decisions relating to them. Such business dealings are disclosed in the remuneration report in the annual financial statements.

Independent professional advice

Directors have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the company's expense. Prior written approval of the Chairman is required, which will not be unreasonably withheld.

Board committees

The Board has established three committees to assist in the execution of its duties and to allow detailed consideration of complex issues. During the year the following committees were in operation:

- Nominations Committee;
- Human Resources and Remuneration Committee; and
- Audit and Risk Management Committee.

Each committee has its own charter setting out its role and responsibilities, composition, structure and membership requirements. All of the charters are reviewed annually and are available on the company's website. All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

Minutes of committee meetings are distributed to all directors.

Details of the directors' attendance at committee meetings are set out in the directors' report in the annual financial statements.

Nominations Committee

The Nominations Committee consists of the following non-executive directors:

R Packer (Chairman)
R S Brown
ST Pearce

The Chairman of this committee is independent. On 1 June 2015, on the appointment of ST Pearce in place of WG Hames, this committee became comprised of a majority of independent directors, as required by Recommendation 2.1.

The main responsibilities of the committee are:

- Board composition
- assessing the skills required on the Board;
- from time to time assessing the extent to which the required skills are represented on the Board;
- overseeing processes in relation to meeting diversity objectives for the Board;
- establishing processes for the identification of candidates for appointment to the Board;
- establishing eligibility requirements for candidates for appointment to the Board including a policy with respect to other commitments;
- proposing candidates for Board vacancies;
- reviewing and recommending to the Board upon the proposed re-election of directors retiring by rotation;
- review of Board succession plans; and
- implementing processes for the induction of new non-executive directors to the company and processes for continuing education of directors.

When the need for a new director is identified or an existing director is required to stand for re-election, the Nominations Committee reviews the range of skills, diversity, experience and expertise on the Board, identifies its needs and if required prepares a short list of candidates with appropriate skills and experience. Where necessary, independent search consultants may be engaged.

The full Board will make appointments to the Board, and these candidates must stand for re-election at the next annual general meeting. Notices of meetings for the election of directors comply with the ASX Corporate Governance Council's Principles and Recommendations.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct

The company has developed a statement of values and a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly updated to ensure it reflects the high standards of behaviour and professionalism and the practices necessary to maintain the company's integrity. A summary of the main provisions of the Code is available on the company's website.

The overriding principles contained in the Code are that all employees, including Directors, shall:

- Conduct their duties diligently and honestly
- Treat other stakeholders fairly and without discrimination
- Conduct business on an arm's length basis free of any influences which are inconsistent with the company's objectives
- Conduct themselves in accordance with the law, the Listing Rules of the Australian Securities Exchange, the company Constitution, local by-laws and other relevant rules or obligations imposed by organisations which govern the markets or jurisdictions in which the Company operates
- Maintain a safe working environment

The Code contains details of the company's policy with respect to trading of the company's securities by directors or employees. The securities trading policy is also available on the company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit and Risk Management Committee

The Board has established the Audit and Risk Management Committee to oversee the corporate reporting process and to oversee risk management. The Audit and Risk Management Committee consists of the following non-executive directors:

R Packer (Chairman)
R S Brown
ST Pearce

The company complies with the structure requirements of Audit Committees under ASX listing rule 12.7.

The Chairman of the Audit and Risk Management Committee is independent. There are 3 members of this committee, with a majority of the directors independent, as required by Recommendation 4.1. All members of the Audit and Risk Management Committee are financially literate and collectively have an appropriate understanding of the property industry.

The committee operates in accordance with its charter which is available on the company's website.

The main responsibilities of the committee are to:

- review and report to the Board on the annual and half-year report and financial statements and supporting management commentary;
- review the accounting policies of the consolidated entity;
- review the effectiveness of the control environment including risk management, safe practices policies, environmental policies and policies in respect to the disbursement of funds;
- review the adequacy of information provided by management to the Board of directors;
- review the compliance with statutory and regulatory requirements;
- review risk management information prepared by management and the annual and half yearly risk management reports;
- administer the appointment and terms of engagement of the external auditor and review the scope and quality of the audit, and the independence and competence of the auditor; and
- report to the Board on matters relevant to the committee's roles and responsibilities.

In fulfilling its responsibilities the committee meets with the external auditors at least twice a year, more frequently if necessary. During these meetings the auditors also meet with the committee without the presence of senior management. The company's auditors have a clear line of direct communication at any time to either the Chairman of the Audit and Risk Management Committee or the Chairman of the Board.

The committee has authority, within the scope of its responsibilities, to:

- seek any information it requires from any employee or external party; and
- obtain external legal or other independent professional advice.

The committee reports to the full Board and relevant papers and minutes are provided to all directors.

Each reporting period the Managing Director and the Chief Financial Officer provide a written statement to the Board, in accordance with section 295A of the *Corporations Act 2001*, that the company's financial statements present a true and fair view, in all material respects, of the consolidated entity's financial condition and operating results are in accordance with relevant accounting standards. They also confirm that the statement is founded on a sound system of risk management and internal control and the system is operating effectively in all material respects in relation to financial reporting risks.

External auditors

The company and Audit and Risk Management Committee policy is to appoint external auditors who demonstrate competence and independence. The performance of the external auditor is reviewed annually. PricewaterhouseCoopers were appointed as the external auditors in 1991. It is PricewaterhouseCoopers policy to rotate audit engagement partners on listed companies at least every five years. A new engagement partner was introduced for the year ended 30 June 2013.

An analysis of fees paid to the external auditors, including a break down of fees for non-audit services, is provided in the financial statements entitled 'Remuneration of Auditors'. It is a legal requirement that the external auditors provide an annual declaration of their independence to the Board.

The 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 audit report.

PRINCIPLES 5 AND 6: MAKE TIMELY AND BALANCED DISCLOSURES AND RESPECT THE RIGHTS OF SHAREHOLDERS

Continuous disclosure and shareholder communication

The company is committed to complying with its continuous disclosure obligations and seeks to provide relevant and timely information to shareholders and investors through ASX releases, written reports and the company's website. The Company Secretary has been appointed as the person responsible for communications with the Australian Stock Exchange (ASX). This person is also responsible for ensuring compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and coordinating information disclosure to the ASX, brokers, shareholders, media and the public.

The company has policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the company and its controlled entities that a reasonable person would expect to have a material effect on the price of the company's securities. Such policies and procedures include mechanisms for ensuring relevant matters are communicated and that the information is released in a timely and balanced manner.

All information disclosed to the ASX is posted on the company's website as soon as possible. When analysts are briefed on aspects of the company's operations the material used in the presentations is first released to the ASX. The company's continuous disclosure policy, which applies to all employees, including directors is available on the company's website.

All shareholders are entitled to receive a copy of the company's annual report and regular newsletters. In addition the company seeks to provide opportunities for shareholders to obtain information through electronic means. To facilitate this, the corporate governance framework, all ASX announcements for the preceding 12 months and annual reports for the last five years are available on the company's website. Investors may also register their email address with the company so that they receive email updates on company matters and ASX announcements. When webcasts are broadcast, links to the relevant websites are provided on the company website.

The company website includes an investor section that provides detailed information on the company's past distributions and the available distribution plans, a shareholder calendar, links to the share registry and information on updating shareholder details at the registry.

The company has an investor relations program where it regularly meets with existing and potential institutional and private investors, analysts, proxy advisors and media. An investor relations firm has been engaged to advise and assist management in this process.

Shareholders are encouraged to attend and participate in the annual general meetings (AGM's) of the company. The company provides a presentation at each AGM, reviewing the previous financial year and providing commentary on the company's outlook. This presentation is made available as a webcast on the day of the AGM by way of a link from the Company's website and the ASX announcement platform. Shareholders are able to vote on line ahead of the AGM, lodge a proxy form or vote in person at the AGM. Questions may be directed to the Board either in advance of the meeting or in person at the meeting.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board ultimately has responsibility for internal compliance and control. The Board has established the Audit and Risk Management Committee as responsible for overseeing and ensuring that internal control systems are in place to monitor and manage risk. Refer to Principle 4 above regarding the composition of this committee.

The company does not operate an internal audit function as it relies on other procedures to evaluate and manage risk, including the risk management program.

Each half-year, management is required to prepare a report of the current and future risks facing the consolidated entity, and the strategies or controls in place to mitigate those risks. A review is made of the performance of those controls over the half-year, and an assessment made of their effectiveness. Where required, improvements in controls are recommended. This report is reviewed by the Audit and Risk Management Committee and then presented to the full Board. Recommendations are implemented upon approval.

In addition the Board requires that each major proposal submitted to the Board for a decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

The company is exposed to a variety of economic, environmental and social sustainability risks. The risks associated with property and financial markets are disclosed and addressed in the Financial and Operating Review in the company's annual report. The company provides guidance on the environmental and social sustainability risks in its Sustainability report which is available for review at the Sustainability link on the company's website.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established a Human Resources and Remuneration Committee to oversee the human resources and remuneration functions of the company

The Human Resources and Remuneration Committee consists of the following non-executive directors:

R Packer (Chairman)
R S Brown
ST Pearce

The Chairman of this committee is independent. On 1 June 2015, on the appointment of ST Pearce, this committee became comprised of a majority of independent directors, as required by Recommendation 8.1. Details of these directors' qualifications, experience and attendance at committee meetings are set out in the directors' report in the annual financial statements.

The committee operates in accordance with its charter which is available on the company's website. The remuneration of the Managing Director is negotiated by the Chairman of the Board and the Chair of the Human Resources and Remuneration Committee and approved by the Human Resources and Remuneration Committee and the Board. The Human Resources and Remuneration Committee makes recommendations to the full Board on remuneration packages and other terms of employment for other senior executives.

Executive remuneration and other terms of employment are reviewed annually by the committee having regard to personal and corporate performance and relevant comparative information. Remuneration packages which include base salary, superannuation and fringe benefits are set at levels that are intended to attract and retain executives capable of managing the consolidated entity's specialised operations. Performance related bonuses are available to executives based on the performance of the group and achievement of personal objectives established at the start of the financial year.

Remuneration of non-executive directors is determined by the Board, after receiving recommendations from the Human Resources and Remuneration Committee, within the maximum amount approved by the shareholders from time to time (currently \$750,000). The committee is also charged with the responsibility of setting the recruitment and termination policies and practices of the company and making contributions in regard to executive succession, planning and promotions, including overseeing processes in relation to meeting diversity objectives for executives and staff below Board level.

Further information on the directors' and executives' remuneration is set out in the remuneration report section of the directors' report in the annual financial statements.

This Corporate Governance Statement was approved by the Board on 25 August 2015 and is current at that date.