

MAYNE PHARMA GROUP LIMITED

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mayne Pharma Group Limited (ASX:MYX) ("Company") is responsible for the corporate governance of the Group and is committed to applying the ASX Corporate Governance Council Corporate Governance Principles and Recommendations ("ASX Principles") where practicable. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders. It is a requirement of the Board that the Company maintains high standards of ethics and integrity at all times.

The ASX Principles are an important regulatory guide for listed companies reporting on their corporate governance practices. Under ASX Listing Rule 4.10.3, listed companies must disclose the extent to which they have followed the ASX Principles, and if any of the recommendations have not been followed, explain why. The Board believes that the Company's policies and practices comply in all substantial respects with the ASX Principles.

1. Corporate Governance Website

Important information relating to the Company's corporate governance policies and practices are set out on the Company's website at www.maynepharma.com. The following documents are available on the corporate governance section of the website:

- Corporate Governance Statement;
- Board Charter;
- Audit and Risk Committee, Remuneration and People Committee and Nomination Committee Charters;
- Code of Conduct;
- Communications Policy;
- Continuous Disclosure Policy;
- Risk Management Framework;
- Securities Trading Policy; and
- Equal Opportunity 2015-2016 Report.

The corporate governance section of the Company's website was first made available from 27 June 2007. The Company will continue to update its policies and practices to reflect developing corporate governance requirements and practices.

2. Role and Responsibility of the Board

2.1 The Board's duties

As the Board acts on behalf of and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations and strives to meet those expectations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The role of the Board is to oversee and guide the management of the Group with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders including employees and the wider community.

The Board has adopted a formal charter ("Board Charter") that clearly establishes the relationship between the Board and management and describes their functions and responsibilities. The Board



Charter was last reviewed on 23 July 2015. The Board Charter has been posted on the corporate governance section of the Company's website.

The Board is responsible for setting the strategic direction of the Group, establishing goals for management and monitoring the achievement of those goals. The Chief Executive Officer is responsible for the day-to-day management of the Group and reports to the Board on key management and operational issues. The Board ensures that the Chief Executive Officer is appropriately qualified and experienced to discharge his responsibilities and has procedures in place to assess the performance of the Chief Executive Officer on behalf of the shareholders.

The Board also appoints the Company Secretary. The Company Secretary is responsible for coordination of all Board business including agendas, Board Papers, minutes, communication with regulatory bodies and ASX and all other filings.

The Company Secretary is responsible for the day-to-day operations of the Company Secretary's office including lodgements with relevant Securities Exchanges and other regulators, the administration of the Board and Board Committee meetings (including preparation of meeting minutes), management of dividend payments and associated share plans, and oversight of the relationship with the Company's share registrar.

2.2 Code of Conduct

Directors of the Company are also subject to the Company's Code of Conduct (see further discussion below in the Conduct and Ethics section). The Code of Conduct is considered by the Board to be an effective way to guide the behaviour of all Directors and employees and demonstrates the Company's commitment to ethical and compliant practices.

3. Board Composition

The composition of the Board is determined in accordance with the following principles and guidelines:

- the Board should comprise at least three directors;
- the Board should comprise directors with an appropriate range of skills, experience and expertise; and
- the Board shall meet regularly and follow meeting guidelines set down to ensure all directors are made aware of, and have available all necessary information, to participate in an informed discussion of all agenda items.

As at the date of this report, the Board comprises eight Directors: six Non-Executive Directors (of which five are independent); an independent Non-Executive Chairman; and one Executive Director. Details of the Directors are included on the About US section of the Company's website.

The Board is looking to maintain an appropriate mix of skills and diversity in the membership of the Board. This includes diversity of skills, experience, gender and background in the pharmaceutical industry, international business, finance and accounting and management.

The following Board skills matrix describes the combined skills of the Board across a range of general and specialist areas. The Board considers that collectively the Directors have the appropriate range of skills and experience necessary to direct the Company's businesses and achieve the Company's strategic objectives.

BOARD SKILLS MATRIX		BOARD REPRESENTATION
General Experience		
Managing and Leading	Success in business at a senior level in a successful career.	8
Global Experience	Senior executive or equivalent exposure to a range of political, cultural, regulatory and business environments.	8
Business / Commercial	Senior executive or equivalent experience in business/commerce in a large business enterprise	8
Strategy	Track record of developing and implementing successful strategies.	8
Governance	Commitment to high standards of governance, including experience with a large business enterprise which is subject to rigorous governance standards.	8
Specialist Experience		
Industry-specific knowledge	Senior executive experience in a large biopharmaceutical, pharmaceutical or medical organization.	3
Finance/Legal/Risk management	Board audit/risk management membership or senior executive or equivalent experience in financial accounting and reporting, corporate finance, internal financial controls or the provision of legal services to large business enterprises.	8
Marketing	Senior executive experience in marketing and a detailed understanding of the Group's corporate objective to create long-term value through the provision of innovative products.	7
Capital Projects	Experience in an industry with projects involving large scale capital outlays and long term investment horizons.	7
Health, Safety & Environment	Experience related to workplace health, safety, environment and social responsibility within a large business enterprise.	8
Remuneration	Board remuneration committee membership or senior executive or equivalent experience relating to remuneration, including incentive programs.	6
Government Affairs	Experience in liaising with government and experience with public and regulatory policy.	8
R&D/Product Development	Experience in research and development or product development with a large biopharmaceutical, pharmaceutical or medical organisation.	3
Manufacturing/Quality	Experience in manufacturing or quality operations with a large biopharmaceutical, pharmaceutical or medical organisation	3



3.1 Independence of Directors

The Board has reviewed the position and associations of each of the eight Directors in office at the date of this report and considers that six of the Directors are independent. In considering whether a director is independent, the Board has regard to the independence criteria in ASX Principle 2 and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of other Directors, as appropriate.

The Board considers that Ms Dolan and Messrs Corbett, Best, Mathieson, Robinson and Scholes meet the independence criteria in ASX Principle 2. They have no material business or contractual relationship with the Company, other than as a Director, and no conflicts of interest that could interfere with the exercise of independent judgement.

Mr Richards is employed in an executive capacity by the Company and so is not considered to be independent. Mr Hodges was employed in an executive capacity by the Company until 31 December 2013 and so is not considered to be independent.

The Directors will continue to monitor the composition of the Board to ensure its structure remains appropriate and consistent with effective management and good governance.

4. Retirement and Re-Election of Existing Directors

The Constitution of the Company requires one third of the Directors, other than Executive Directors, to retire from office at each Annual General Meeting. Directors who have been appointed by the Board during the year are required to retire from office at the next Annual General Meeting and are not taken into account in determining the number of Directors to retire at that Annual General Meeting. Directors cannot hold office for a period in excess of three years or later than the third Annual General Meeting following their appointment without submitting themselves for re-election. Retiring Directors are eligible for re-election by shareholders.

5. Nomination and Appointment of New Directors

Recommendations of candidates for new directors are made by the Nominations Committee for consideration by the Board as a whole. If it is necessary to appoint a new director to fill a vacancy on the Board or to complement the existing Board, a wide potential base of possible candidates is considered.

In making recommendations to the Board regarding the appointment of Directors, the Nomination Committee periodically assesses the appropriate mix of skills, experience and expertise required by the Board and the extent to which the required skills and experience are represented on the Board. The committee also takes account of other factors such as diversity and cultural fit. The identification of a potential director may be assisted by the use of external search organisations and detailed background information in relation to the potential candidate is provided to all Directors prior to any decisions being made. Nominations for appointment are then approved by the Board as a whole.

If a candidate is recommended by the Nominations Committee, the Board assesses that proposed new director against a range of criteria including background, experience, professional skills, personal qualities, the potential for the candidate's skills to augment the existing Board and the candidate's availability to commit to the Board's activities. If these criteria are met and the Board appoints the candidate as a Director, that Director must retire at the next Annual General Meeting of Shareholders and will be eligible for election by shareholders at that General Meeting.

New Directors will be provided with a letter of appointment, setting out the terms of their appointment, including their powers, rights and obligations. An induction program is provided for new members of the Board. This includes meetings with senior executives, site visits, provision of relevant corporate governance materials and policies and discussions with the Chairman and other Directors.

6. Board Meetings

The Board meets formally at least ten times each year, and from time to time meetings are convened outside the scheduled dates to consider matters of importance. The Board met 15 times between 1 July 2015 and 30 June 2016.

The Directors' attendance at Board meetings is detailed in the Annual Report.

The agenda for meetings is prepared by the Company Secretary, in conjunction with the Chairman, Chief Executive Officer, and periodic input from the Board. Comprehensive Board papers are distributed to Directors in advance of scheduled meetings. Board meetings typically take place at the Company's head office and manufacturing facility based in Salisbury, South Australia but also take place at the Company's commercial office in Melbourne and at the operating facility in Greenville, North Carolina, USA.

The Non-Executive Directors also meet regularly without management present.

7. Performance Review

The Chairman evaluates the performance of the Board as a whole and the individual Directors. The performance evaluation includes an examination of the performance of the Board and individual Directors as against the Board Charter. The evaluation may establish goals and objectives for the Board and provide any recommendations for improvement to Board performance. The Chairman undertook the performance appraisal of the Board with respect to the financial year ended 30 June 2016 in August 2016.

The Board aims to ensure that shareholders are informed of all information necessary to assess the performance of the Directors.

Information is communicated to the shareholders through:

- the Annual Report;
- the half-yearly report;
- the Annual General Meeting and other meetings to obtain shareholder approval for Board actions as appropriate; and
- continuous disclosure in accordance with ASX Listing Rule 3.1 and the Company's Continuous Disclosure Policy.

8. Board Members' Rights to Independent Advice

The Board has procedures to allow Directors, in the furtherance of their duties as directors or members of a Committee, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman.

9. Board Committees

The Board has established the following committees to advise and support the Board in carrying out its duties:

- Audit and Risk Committee;
- Nomination Committee; and
- Remuneration and People Committee.

Directors' attendance at meetings of these committees is detailed in the Annual Report.

9.1 Audit and Risk Committee

It is the Board's responsibility to ensure that an effective internal control framework exists within the Company, including internal controls to deal with both the effectiveness and efficiency of



significant business processes. Effective internal controls include the safeguarding of assets, the maintenance of proper accounting records, managing and mitigating business risks and the reliability of financial information.

The Board has established an Audit and Risk Committee, which operates under a Charter approved by the Board, and has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the Company to the Audit and Risk Committee. The Charter was last reviewed and approved by the Board on 23 July 2015.

The duties and responsibilities of the Audit and Risk Committee include:

- ensuring appropriate accounting policies and procedures are defined, adopted and maintained;
- ensuring that the operating and management reporting procedures, and the system of internal control, are of a sufficiently high standard to provide timely, accurate and relevant information as a sound basis for management of the Group's business;
- reviewing the Financial Statements for accuracy and to ensure they reflect a true and fair view prior to their presentation to the Board;
- reviewing the scope of work for the external audit function including approval of strategic and annual audit plans and effectiveness of the external audit function;
- ensuring that appropriate processes are in place to ensure compliance with all legal requirements affecting the Group;
- ensuring that all internal and industry codes of conduct and standards of corporate behaviour are being complied with;
- appointing a person(s) responsible for internal audit functions as specified from time to time by, and in accordance with, the Committee's Charter;
- making recommendations to the Board on the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification) of the external auditors and monitoring the effectiveness, and independence of the external auditors;
- approving and monitoring the Company's risk management strategy;
- review and recommendation of policies and procedures for managing and mitigating risks across the Company;
- regular review of the Company's Risk Management Framework and Risk Register; and
- actioning any other business processes or functions which may be referred to it by the Board.

As and when required, the Audit and Risk Committee engages external consultants to review the Group's internal control environment, as the Company does not yet have an internal audit function.

The operation and responsibilities of the Audit and Risk Committee are consistent with ASX Principle 4. The Committee met three times during the financial year ended 30 June 2016.

The members of the Audit and Risk Committee at the date of this report were:

- Mr I Scholes – Chairman;
- Hon R Best; and
- Mr B Mathieson.

In addition to the members of the Committee, the Group CFO attends the Audit and Risk Committee meetings and representatives of the external auditors are invited to attend when appropriate.

9.2 Appointment of external auditors

The Audit and Risk Committee is directly responsible for the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting.

The appointed external auditor is required to attend the Company's Annual General Meeting to answer any questions from shareholders in relation to the audit.

The Committee must approve all audit and non-audit services provided by the external auditors and must not engage the external auditors to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The Committee may delegate the approval authority to a member of the Committee. The decisions of any Audit and Risk Committee member to whom the approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

When reviewing the auditor's independence, the Committee will require the rotation of the audit partner at least once every five years, in accordance with the *Corporations Act 2001*.

9.3 Nomination Committee

The Board has established a Nomination Committee to assist the Board in selecting candidates for the position of director.

The members of the Nomination Committee at the date of this report were:

- Hon R Best – Chairman;
- Mr R Corbett; and
- Mr B Mathieson.

The primary purpose of the Nomination Committee as set out in its Charter is to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and standards of governance by:

- assessing the skills required on the Board, and the extent to which the required skills are represented on the Board. The Committee also takes account of other factors such as diversity and cultural fit;
- establishing processes for the review of the performance of individual Directors and the Board as a whole; and
- establishing processes for the identification of suitable candidates for appointment to the Board.

The Charter was last reviewed and approved by the Board on 23 July 2015. The operation and responsibilities of the Nomination Committee are consistent with ASX Principle 2.

The Committee did not formally meet during the financial year ended 30 June 2016.

9.4 Remuneration and People Committee

The Board has established a Remuneration and People Committee to assist the Board in ensuring that appropriate and effective remuneration and other people-related policies are in place that support the Company's strategy and objectives and to review these on behalf of the Board.

The Remuneration and People Committee shall comprise at least three members and the members of the Remuneration Committee at the date of this report were:

- Mr R Corbett – Chairman;
- Hon R Best; and
- Mr I Scholes.

The duties and responsibilities of the Remuneration and People Committee are set out in its Charter which was last reviewed and approved by the Remuneration and People Committee on 22 July 2015. The key duties and responsibilities are:

- to review and recommend to the Board, remuneration policies and packages for the Chief Executive Officer, Executive Directors and direct reports to the Chief Executive Officer;
- to recommend to the Board any changes in remuneration policy including superannuation, other benefits and remuneration structure for executives and which is likely to have a material impact on the Company;
- to review and recommend to the Board proposals for employee equity plans;
- to review and recommend to the Board proposals for short- and long-term incentive programs for executives;
- to review and recommend to the Board any changes to Non-Executive Directors' fees;
- to ensure there is a proper performance management process in place throughout the organisation and that it is operating effectively; and
- to be informed of:
 - current trends in executive remuneration and associated incentive initiatives;
 - legislative issues associated with executive remuneration programs.

The Committee met once during the financial year ended 30 June 2016.

9.5 Remuneration for Directors and executives

A brief discussion on the Company's remuneration policies in respect of Directors and executives is set out in the Annual Report. Detailed disclosure of the remuneration paid to the Company's Directors and executives is set out in the Remuneration Report, which forms part of the Annual Report.

10. Integrity in Financial Reporting

Consistent with ASX Principle 4.2, the Company's financial report preparation and approval process for the financial year ended 30 June 2016 involved both the Chief Executive Officer and the Group CFO providing detailed representations to the Board covering:

- compliance with the Company's accounting policies and relevant accounting standards;
- the accuracy of the financial statements and that they provide a true and fair view;
- integrity and objectivity of the financial statements; and
- the effectiveness of the system of internal control.

The Board has received a declaration from the Chief Executive Officer and the Group CFO that, in their opinion, the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

11. Risk Identification and Management

The Board accepts that taking and managing risk is central to building shareholder value and the Board is responsible for the Group's risk management strategy. Management is responsible for implementing the Board's strategy and for developing policies and procedures to assist the Board to identify, manage and mitigate the risks across the Group's operations.

The Company employs executives and retains consultants each with the requisite experience and qualifications to enable the Board to manage the risks to the Company. The Board has requested the Audit Committee oversee the Group's risk management processes and procedures.

The Group's identification and management of business risks is set out in a Risk Management Framework. The Framework is based on AS/NZS ISO 31000:2009 and captures all of the risks that Management consider are faced by the Group; the likelihood, consequence and potential impact if the risk were to eventuate and the residual risk faced by the Group given the existence of appropriate controls.

The risks faced by the Company are diverse and vary significantly in terms of the likelihood of the event occurring and the consequence of such an event. Each specific risk is allocated to a member of the Executive Team and managed through day-to-day operations and compliance with a comprehensive set of Standard Operating Procedures.

The register is updated by the Executive Team and regularly reviewed by the Audit and Risk Committee. The Audit and Risk Committee last reviewed the risk register at its May 2014 meeting. In FY16, the Executive Team formally reviewed and updated the risk register which will be tabled at the January 2017 Audit Committee. A summary of the revised Risk Management Framework is disclosed on the Company's website in accordance with ASX Principle 7.

12. Securities Trading by Directors and Employees

The Board last amended and approved the Company's Securities Trading Policy on 30 July 2013. The policy summarises the law relating to insider trading and sets out the policy of the Company that applies to Directors, officers, employees and consultants dealing in securities of the Company.

The policy is reviewed regularly and a summary of the Securities Trading Policy can be accessed on the corporate governance section of the Company's website at www.maynepharma.com. This policy is provided to all Directors and employees and compliance with it is reviewed on an ongoing basis in accordance with the Company's risk management systems.

13. Continuous Disclosure

The Company has established policies and procedures in order to comply with its continuous and periodic disclosure requirements under the *Corporations Act 2001* and the ASX Listing Rules. The Board has adopted a formal Continuous Disclosure Policy, a summary of which is available from the corporate governance section of the Company's website at www.maynepharma.com. The Continuous Disclosure Policy was last reviewed by the Board on 23 July 2015.

The Company Secretary has primary responsibility for the disclosure of material information to ASIC and ASX and maintains a procedural methodology for disclosure, as well as for record keeping.

The Company's Continuous Disclosure Policy requires all employees and Directors to notify the Chief Executive Officer, or the Group Chief Financial Officer and Company Secretary of any potentially material information or proposal as soon as practicable after the person becomes aware of that information. The CEO and or the Company Secretary will keep the full Board informed of all relevant matters. The Policy also sets out what renders information material.

The Board reviews the Company's compliance with this policy on an ongoing basis and will update it from time to time, if necessary.

14. Shareholder Communications

The Board's formal policy on communicating with shareholders, its Communications Policy, is available from the corporate governance section of the Company's website and supplements the Company's Continuous Disclosure Policy.

The aim of the Communications Policy is to make known the Company's methods for disclosure to shareholders and the general public. The Policy details the steps between disclosure to ASIC and ASX and communication to shareholders, with the Company's website playing an important role in the Company's communications strategy. It also sets out the policies and processes that the Company has in place to facilitate and encourage participation at meetings of shareholders.

The Board reviews this policy and compliance with it on an ongoing basis. The policy was last reviewed on 23 July 2015.



15. Conduct and Ethics

The Company's Code of Conduct was last reviewed by the Board on 24 May 2016. The Code covers a broad range of issues and refers to those practices necessary to maintain confidence in the Company's integrity, including procedures in relation to:

- compliance with the law;
- business and financial records;
- occupational health and safety;
- conduct within and outside the workplace;
- confidentiality and use of information;
- conflict of interest;
- equal opportunity;
- whistle-blowing;
- data protection and privacy; and
- bribery and corruption.

The Code applies to Directors, executives and employees, and directs individuals to report any contraventions of the Code to their superior or the Chief Executive Officer.

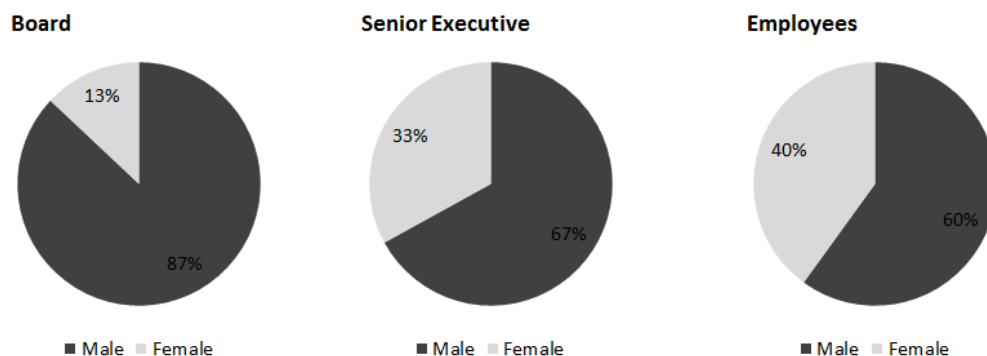
16. Diversity

The Board recognises that a diverse and inclusive workforce is not only good for our employees but also good for business. Diversity enables the Group to attract and retain talented people, create more innovative solutions, and be more flexible and responsive to our customers' and shareholders' needs. The Board approved a diversity policy on 21 August 2012.

This diversity policy provides a framework that helps the Company achieve the following:

- access to the broadest pool of available talent;
- a welcoming workforce culture that embraces diversity at all levels;
- recruitment practices that ensure a fair and equitable selection process at all levels and where candidates are assessed on the basis of skills and capabilities;
- ensure there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation;
- improved employee motivation and engagement; and
- enhanced teamwork and innovative solutions.

Below is a summary of the gender composition of the organisation:



The Group's approach to diversity is underpinned by practical objectives to ensure that all of its employees have equal opportunity to demonstrate their talents, commitment and results. The Company will measure its progress against these objectives and report to the Board annually.

The Company will support employees to achieve an appropriate work-life balance, promote and reward employees based on skills, experience and merit as well as ensure the workplace is free from discrimination and harassment.

Diversity Statistics

FY16-FY18 OBJECTIVES	FY16-FY18 MEASUREMENT	FY16 PERFORMANCE
Equal opportunity employer Our recruitment practices are fair and equitable at all stages and candidates are assessed on the basis of their skills and capabilities for the position and cultural fit with the business	We endeavour for: 1. all selection processes and decisions to include both male and female representatives, and 2. at least 1 female and 1 male will be invited to participate in the interview process, where appropriately skilled candidates have applied	Our equal opportunity employer objective is reflected in our Recruitment & Selection policy. 1. We ensure representation of males and females in the recruitment and selection process. 2. In the vast majority of instances this is achieved, with only a few vacancies not having appropriately skilled candidates of both genders for consideration.
Equal gender participation We seek to maintain diverse participation at all levels	We endeavour for equal participation, allowing for a 10% variance either way. We will therefore seek to maintain a balance of at least 40% females and 40% males, in both management and non-management positions	Globally our non-management positions consist of 58% males and 42% females, while our management positions are collectively broken down as 64% male and 36% female. At lower and middle management levels we achieve our 40% objective, however the collective participation of females across all management levels is slightly below our visionary target at 36% due to additions of some high calibre male leaders during FY16 at senior and executive levels for the US generic product acquisitions announced in June 2016.
Equal opportunity for development High potential employees have equal opportunity to development programs to build a diverse pipeline of talent for succession opportunities	We endeavour for equal development opportunities, allowing for a 10% variance either way. We will therefore seek to maintain a balance of at least 40% females and 40% males, for participation in leadership or future leadership development program opportunities	Development opportunities have been offered equally to employees. There has been close to equal participation in development opportunities at both leadership and potential future leadership levels. We have offered a variety of programs ranging from in-house to formal external executive development, to meet the targeted needs of individuals.
Equal gender remuneration Employees will be paid appropriate remuneration, based on their level of experience, achievements and competencies for their role	Undertake an annual pay equity analysis for employees in the same roles, and if any issues are identified, resolutions are to put in place	A pay equity analysis was conducted in May 2016. No issues were identified that required resolutions to be put in place. We are currently exploring options to enhance how we benchmark remuneration at all levels to ensure this is proactively tracked.



The Company is also required to comply with the requirements of the *Workplace Gender Equality Act 2012*. In May 2016 the Company lodged its annual compliance report which can be accessed on the corporate governance section of the Company's website.



17. ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

	ASX PRINCIPLE	REFERENCE ¹	COMPLIANCE
Principle 1	Lay solid foundations for management and oversight		
1.1	Companies should disclose the respective roles and responsibilities of the board and of management and disclose those matters expressly reserved to the board and those delegated to management.	2	Comply
1.2	Listed entities should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for elections as a director; and 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.	5	Comply
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	5	Comply
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.	2	Comply
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: (1) 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.	16	Comply
1.6	Companies should have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors; and disclosure in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	7	Comply
1.7	Companies should have and disclose the process for periodically evaluating the performance of its senior executives; and disclosure in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Annual Report-Remuneration Report	Comply



	ASX PRINCIPLE	REFERENCE ¹	COMPLAINT
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) in relation to 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.	9	Comply
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.	3, Annual Report	Comply
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.	3, Annual Report	Comply
2.4	A majority of the board should be independent directors.	3, Annual Report	Comply
2.5	The chair of the board should be an independent director and, in particular, should not be the same person as the CEO of the entity.	3	Comply
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.	2	Comply
Principle 3 Act ethical and responsibly			
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.	15	Comply



	ASX PRINCIPLE	REFERENCE ¹	COMPLAINT
Principle 4	Safeguard integrity in corporate reporting		
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 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.	9, Annual Report	Comply
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.	10	Comply
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.	9	Comply
Principle 5	Make timely and balanced disclosure		
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.	13	Comply



	ASX PRINCIPLE	REFERENCE ¹	COMPLAINT
Principle 6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	1	Comply
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	14	Comply
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.	14	Comply
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.	14	Comply
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; or (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.	9, 11, Annual Report	Comply
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.	11	Comply
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.	In FY17, the Company expects to establish an internal audit function which will report to the Audit and Risk Committee. 9	
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.	Annual Report	Comply



	ASX PRINCIPLE	REFERENCE ¹	COMPLAINT
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: (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.	9, Annual Report	Comply
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.	Annual Report	Comply
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.	Annual Report	Comply

1. All references are to sections of this Corporate Governance Statement unless otherwise stated