

*Rules 4.7.3 and 4.10.3<sup>1</sup>*

## Appendix 4G

### Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

|                                      |
|--------------------------------------|
| Global Construction Services Limited |
|--------------------------------------|

**ABN / ARBN**

|                |
|----------------|
| 81 104 662 259 |
|----------------|

**Financial year ended:**

|              |
|--------------|
| 30 June 2017 |
|--------------|

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

This URL on our website: <http://www.gcs.group/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 29 September 2017 and has been approved by the board.

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

Date: 29 September 2017

Susan Cameron

Company Secretary

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<sup>1</sup> 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.

<sup>2</sup> "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.

<sup>3</sup> 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. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

**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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                              |                                                                                                                       |
| 1.1                                                                     | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.                                                                                                                            | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement<br>... 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) |                                                                                                                       |
| 1.2                                                                     | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                                                                                                                                                |                                                                                                                       |
| 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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                                                                                                                                                |                                                                                                                       |
| 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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                                                                                                                                                |                                                                                                                       |

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                           | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 1.5                                         | <p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p> |                                                                                                                                                                                                                                                                                                | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 1.6                                         | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> |                                                                                                                       |
| 1.7                                         | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> |                                                                                                                       |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                                                 | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                       |
| 2.1                                                   | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> <a href="http://www.gcs.group/investors/corporate-governance/">http://www.gcs.group/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                     | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                       |
| 2.3                                                   | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>                                                                                                                                                                                                                                                                                                                     | <p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> |                                                                                                                       |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation        |                                                                                                                                                                                                                                                        | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                          | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 2.4                                                | A majority of the board of a listed entity should be independent directors.                                                                                                                                                                            |                                                                                                                               | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement               |
| 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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement |                                                                                                                       |
| 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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement |                                                                                                                       |
| <b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                        |                                                                                                                               |                                                                                                                       |
| 3.1                                                | A listed entity should:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it.                                                                                            | ... our code of conduct or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement      |                                                                                                                       |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                             | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                       |
| 4.1                                                             | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> <a href="http://www.gcs.group/investors/corporate-governance/">http://www.gcs.group/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                      | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                         |                                                                                                                       |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                         |                                                                                                                       |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation                 |                                                                                                                                                                                            | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                          | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |                                                                                                                                                                                            |                                                                                                                                                                                                                               |                                                                                                                       |
| 5.1                                                         | A listed entity should:<br>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and<br>(b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                              |                                                                                                                       |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |                                                                                                                                                                                            |                                                                                                                                                                                                                               |                                                                                                                       |
| 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:<br><input checked="" type="checkbox"/> at <a href="http://www.gcs.group/investors/corporate-governance/">http://www.gcs.group/investors/corporate-governance/</a> |                                                                                                                       |
| 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:<br><input checked="" type="checkbox"/> 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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                   |                                                                                                                       |
| 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:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement                                                                                                 |                                                                                                                       |

**Appendix 4G**

**Key to Disclosures Corporate Governance Council Principles and Recommendations**

| Corporate Governance Council recommendation    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                                                                                                  | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |
| 7.1                                            | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.gcs.group/investors/corporate-governance/">http://www.gcs.group/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                   | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 7.2                                            | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> |                                                                                                                       |
| 7.3                                            | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>                                                                                                                                                                                                                                                                                                                                                                            | <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                     |                                                                                                                       |

## Key to Disclosures Corporate Governance Council Principles and Recommendations

| Corporate Governance Council recommendation |                                                                                                                                                                                                   | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                       | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| 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. | <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> |                                                                                                                       |

**Appendix 4G**

**Key to Disclosures Corporate Governance Council Principles and Recommendations**

| Corporate Governance Council recommendation            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | We have followed the recommendation in full for the whole of the period above. We have disclosed ...                                                                                                                                                                                                                                                                     | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                       |
| 8.1                                                    | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p> | <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <a href="http://www.qcs.group/investors/corporate-governance/">http://www.qcs.group/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>        |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                            |                                                                                                                       |
| 8.3                                                    | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>                                                                                                                                                                                                                                 |                                                                                                                       |

## Corporate Governance

Global Construction Services Limited (GCS) is committed to continuously improving and achieving high standards of corporate governance. The Board regularly assesses its governance framework and practice believing good corporate governance is strongly correlated to performance and serves in the best interests of shareholders and stakeholders.

GCS's corporate governance statement has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included on the Company's website pursuant to ASX Listing Rule 4.10.3. The Corporate Governance Report is available at [www.gcs.group/investors/corporate-governance](http://www.gcs.group/investors/corporate-governance). The ASX Principles and Recommendations and the Company's response as to how and whether it follows those recommendations are set out below.

A description of the Group's main corporate governance practices and its 'if not, why not' report on compliance with the guidelines is set out below. Where the Company's practices depart from a recommendation, the Board has disclosed the departure along with reasons for adoption of its own practices.

|                    | ASX Principles and Recommendations <sup>(1)</sup> | If not, why not <sup>(2)</sup> |
|--------------------|---------------------------------------------------|--------------------------------|
| Recommendation 1.1 | ✓                                                 |                                |
| Recommendation 1.2 | ✓                                                 |                                |
| Recommendation 1.3 | ✓                                                 |                                |
| Recommendation 1.4 | ✓                                                 |                                |
| Recommendation 1.5 |                                                   | ✓                              |
| Recommendation 1.6 | ✓                                                 |                                |
| Recommendation 1.7 | ✓                                                 |                                |
| Recommendation 2.1 |                                                   | ✓                              |
| Recommendation 2.2 | ✓                                                 |                                |
| Recommendation 2.3 | ✓                                                 |                                |
| Recommendation 2.4 |                                                   | ✓                              |
| Recommendation 2.5 | ✓                                                 |                                |
| Recommendation 2.6 | ✓                                                 |                                |
| Recommendation 3.1 | ✓                                                 |                                |
| Recommendation 4.1 |                                                   | ✓                              |
| Recommendation 4.2 | ✓                                                 |                                |
| Recommendation 4.3 | ✓                                                 |                                |
| Recommendation 5.1 | ✓                                                 |                                |

|                    |   |   |
|--------------------|---|---|
| Recommendation 6.1 | ✓ |   |
| Recommendation 6.2 | ✓ |   |
| Recommendation 6.3 | ✓ |   |
| Recommendation 6.4 | ✓ |   |
| Recommendation 7.1 |   | ✓ |
| Recommendation 7.2 | ✓ |   |
| Recommendation 7.3 | ✓ |   |
| Recommendation 7.4 | ✓ |   |
| Recommendation 8.1 |   | ✓ |
| Recommendation 8.2 | ✓ |   |
| Recommendation 8.3 | ✓ |   |

<sup>(1)</sup> Indicates where the Company has followed the Principles and Recommendations.

<sup>(2)</sup> Indicates where the Company has provided an “if not, why not” disclosure.

## PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

GCS has a Corporate Governance Statement on its website ([www.gcs.group](http://www.gcs.group)) containing the key GCS corporate governance documents which establish the roles and functions reserved for the Board, the roles and functions delegated to the Group Managing Director and/or Executives, and the relationship between the Board and the Group Managing Director and/or Executives.

The Board's primary responsibility is to safeguard and enhance the interests of shareholders and stakeholders by overseeing the Company's business activities and undertaking the effective functions of strategy formulation, policy design, and supervision.

Each Director has access to the Company Secretary for advice and support in effectively discharging their roles. Additionally, each Board member may seek external professional advice at the expense of the Company in respect of their roles with the approval of the Chairman.

The Group Managing Director is responsible and charged with running the affairs of the Company and executing the strategy set by the Board.

The Remuneration Committee annually assesses and evaluates the performance of the Board and the Group Managing Director as well as any other Director and/or Executive. Performance measures are established by the Board and outcomes of the review are reported to the Board. All Executives are subject to an annual performance evaluation, which is undertaken by their direct relevant manager.

An evaluation of the Group Managing Director performance was conducted during the prior reporting period with the contract of the Group Managing Director being rolled over for a term of 2 years commencing 1 July 2017.

An evaluation of the performance of the Board and its Directors is undertaken each year. The Chairman of the Board is the leader and driver of this process. The evaluation of the performance of the Board's various committees is undertaken on an 'exception' basis. The Chair of the Board is also the leader of the evaluation. The process for evaluating the performance of the Board, its committees and individual directors is to be documented.

GCS is committed to creating a diverse workplace, which reflects the breadth of talent available in the communities it operates in. The Group believes a range of employees encompassing diversity of gender, age, ethnicity, and cultural background enables greater innovation by drawing on diverse backgrounds, experience, and skills. Improving the level of diversity, female participation, and female promotion in GCS remains an objective of the Board.



The GCS Group operates in the traditionally male dominated industry of construction and related services and is therefore predictably under represented by women in its workforce. Enhancing the participation of women in the workplace continues to be a focus of the GCS Board. Whilst no formal policy has been adopted, the Company does adhere to the gender reporting requirements and diversity principles outlined in the recommendations.

The 30 June 2017 GCS workforce composition is shown in the following table.

| Management                | Male | Female | Total | % of female employees | Participation Rate Change from FY16 |
|---------------------------|------|--------|-------|-----------------------|-------------------------------------|
| Chief Executive Officer   | 1    | 0      | 1     | 0.00%                 | 0.00%                               |
| KMP                       | 2    | 0      | 2     | 0.00%                 | 0.00%                               |
| Executive General Manager | 3    | 2      | 5     | 40.00%                | 27.50%                              |
| Senior Manager            | 7    | 1      | 8     | 12.50%                | -12.50%                             |
| Other Manager             | 14   | 1      | 15    | 6.67%                 | -3.86%                              |
| Total                     | 27   | 4      | 31    | 12.90%                | 0.08%                               |

| Workforce Participation | Male | Female | Total | % of female employees | Participation Rate Change from FY16 |
|-------------------------|------|--------|-------|-----------------------|-------------------------------------|
| Total participation     | 510  | 62     | 572   | 10.84%                | 1.76%                               |

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The GCS Group Board has established a Nomination Committee to consider, assess, and establish guidelines on items including but not limited to: Director nomination and election; Director succession; Board composition; Board renewal; and Board competencies. The Committee meets on an 'as required' basis. The Non-Executive Directors of the Board currently carry out the function of the Nomination Committee which is chaired by Mr Peter Wade, an independent Non-Executive Chair. As the Committee has two members, it does not satisfy the requirements of Recommendation 2.1 to have at least three members.

Details of meeting attendance for members of each committee are set out in the directors' report of the company's 2017 annual report. The roles and responsibilities of each committee are set out in the respective committee charters. The Nomination Committee Charter is available on the Company's website in the 'Investors' section.

The Board is comprised of the following directors:

| Director      | Executive or Non-Executive | Independent | Date of Appointment |
|---------------|----------------------------|-------------|---------------------|
| Peter Wade    | Non-Executive Chairman     | Yes         | 17-Nov-2011         |
| Enzo Gullotti | Group Managing Director    | No          | 08-May-2003         |
| George Chiari | Executive Director         | No          | 01-Oct-2009         |
| John Derwin   | Non-Executive Director     | Yes         | 01-Jul-2017         |

The Company is not in compliance with Recommendation 2.4, the Board does not consist of a majority of independent Directors where an independent Director is a Non-Executive Director who meets the criteria for independence included in the ASX Best Practice Recommendations.



The composition of the Board reflects the size of the Company and the unique and significant industry experience the Directors bring to the Board. These factors currently constrain the practicality in GCS having a majority of independent Directors on its Board.

Mr Peter Wade was appointed a Non-Executive Director and elected Chair of GCS on 17 November, 2011. Mr Wade fulfils the Governance Council's independence criteria (Recommendation 2.5). Mr John Derwin was appointed as a Non-Executive Director on 1 July 2017. The addition of Mr Derwin as an independent director has enhanced the GCS Board structure and benefits all shareholders and stakeholders. A biography profiling each Director's skill, experience, and expertise is set out in the directors' report along with their respective term of office.

Each new member of the Board participates in an induction program which encompasses: the duties, roles, and responsibilities of each Director; the operations of the Board and its Committees; and outlines the Group's culture and values as well as the strategic, financial, operational, and risk issues within the Company.

### **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

The GCS Group has adopted a Code of Conduct, which prescribes guidelines and policies aimed at maintaining high ethical standards and good corporate behaviour in the workplace. The Code of Conduct may be found in the Corporate Governance section of the Company's website.

GCS encourages the reporting of instances which may involve a breach (or suspected breach) of the Code of Conduct.

### **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

The Board has established an Audit and Risk Management Committee to facilitate the verification and the safeguarding of the integrity of the Company's corporate reporting, internal control structure, risk management procedures, and the internal and external audit function.

The Company does not comply with Recommendation 4.1, as the composition of the Board does not lend to the practicality of the Audit and Risk Management Committee comprising at least three members, whom are non-executive directors and a majority independent directors. The Committee is chaired by Mr Peter Wade who is the chair of the Board. The Non-Executive Directors, CFO, and Company Secretary are members of the Audit and Risk Management Committee. The Committee's charter is published on the Company's website.

The committee meets at least twice per annum and meetings are co-ordinated to coincide with the release of the Company's interim and full year financial reports and audits. The details, qualifications, and experience of each committee member and the attendance of committee members at Audit and Risk Management Committee meetings are contained in the directors' report of the company's 2017 annual report. The Committee has access to external auditors and a high degree of financial literacy is prevalent amongst the committee members. The external auditors attend the Company's Annual General Meeting and are available for shareholder queries.

The Group Managing Director and the Chief Financial Officer have provided the Board with a declaration in accordance with Section 295A of the *Corporations Act 2001*, assuring the Board that a sound system of risk management and internal control is operating effectively in aspects related to financial reporting risks.

The Audit and Risk Management Committee Charter is available on the Company's website in the 'Investors' section.

### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

The Company has established written policies to ensure compliance with the continuous disclosure regime of the Corporations Law and the Listing Rules of the Australian Securities Exchange Limited.

The Board has ultimate authority and responsibility for disclosures made to the market. This responsibility is delegated to the Group Managing Director and Company Secretary. Board approval is a prerequisite of significant matters requiring disclosure. The Company Secretary is charged with the establishment, communication, and maintenance of this policy as well as ensuring that material information is disclosed to the ASX.

### **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

GCS's Shareholder Communications Policy has been designed to facilitate the means of effective communications with shareholders. The policy is available in the 'Investors' section of the Company's website.

GCS's overarching communication strategy promotes effective communication with shareholders and other stakeholders in an open, regular, and timely manner. The policy encourages shareholder attendance and participation at member meetings as it represents an opportunity to meet, question, and discuss issues with the Board and Executives. The Board and external auditors all attend the Company's Annual General Meeting and are available for shareholder queries.



The GCS Group website is a central source of information for shareholders. The Company's Shareholder Communications Policy is available on the Company's website in the 'Investors' section and the Company encourages security holders to contact and communicate with the Company and Security Register electronically.

#### **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

GCS is committed to the identification, monitoring, and management of risks associated with its business activities as a key part of its good business practices and governance activities.

The Group has implemented a number of controls in its risk management and reporting systems and regularly assesses and improves its risk management systems to best practice bench marks.

The Board is responsible for approving the Company's policies and risk oversight as well as satisfying itself that management continues to implement, develop, and improve its risk regime in accordance with the strategic risk policies. The daily operational management of risk is delegated to management throughout all levels of the organisation under the direction of the Group Managing Director. The Board monitors and receives reports on areas of operational and financial risk, and thereafter considers strategies for appropriate risk management arrangements.

The Board has established an Audit and Risk Management Committee to monitor and safeguard the integrity of the Company's financial reporting, internal control structure, risk management procedures, and the internal and external audit function. The categories of risks identified and reported include: operational; health and safety; contracting; environmental; statutory and compliance; product; reputation; credit and financial; business security; and interruption. The Committee's charter is published on the Company's website.

The Company does not comply with Recommendation 7.1, as the composition of the Board does not lend to the practicality of a majority of independent Directors managing the Audit and Risk Management Committee. The Non-Executive Directors, CFO, and Company Secretary are members of the Audit and Risk Management Committee. The Committee is chaired by Mr Peter Wade who is also chair of the Board. The Committee meets at least twice per year, details of meeting attendance for members of each committee are set out in the directors' report of the company's 2017 annual report.

The Board and Committee have met during the year to review the entity's risk management framework and associated risks. The Board and Committee do not consider that the Company currently has any material exposure to economic, environmental or social sustainability risk. The Company faces risks inherent to its business, including economic environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has policies and procedures in place to help mitigate and manage these risks.

The Group Managing Director and the Chief Financial Officer have provided the Board with a declaration in accordance with Section 295A of the *Corporations Act 2001*, assuring the Board that a sound system of risk management and internal control is operating effectively in aspects related to financial reporting risks.

The Company does not have an internal audit function, however manages part of this process via internal controls and risk management overseen by the Group Managing Director and the Chief Financial Officer. Information on the Company's charter of the Audit and Risk Committee is available on the Company's website in the 'Investors' section.

#### **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

The Board has established a Remuneration Committee to manage remuneration related issues including: Remuneration policy; Director and Executive engagement; Non-Executive Director fees; and the development of short and long term incentives.

The Non-Executive Directors of the Board currently carry out the function of the Remuneration Committee, dealing with remuneration related issues on an 'as required' basis during the year. As the Committee has two members, it does not satisfy the requirements of Recommendation 8.1 to have at least three members. Details of meeting attendance for members of each committee are set out in the directors' report of the company's 2017 annual report.

GCS distinguishes the structure of Non-Executive Directors' remuneration from Executive Directors and Executives. The Remuneration Committee ensures the fees are within the cap approved by shareholders. This contrast in structure is underpinned by the Company's Remuneration Philosophy and Remuneration Structure. For further details on Remuneration, please refer to the remuneration report within the company's 2017 annual report.

The Remuneration Committee Charter is available on the Company's website in the 'Investors' section.