

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Name of entity

COLLINS FOODS LIMITED

ABN / ARBN

13 151 420 781

Financial year ended:

30 April 2017

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

- ☐ These pages of our annual report:
- ☒ This URL on our website: <http://www.collinsfoods.com/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 30 April 2017 and has been approved by the Board.

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

Date: 27 July 2017

Name of Secretary authorising lodgement: Frances Finucan

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

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

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

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

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ 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 ... ⁴
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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at ~~[insert location]~~ ... and a copy of our diversity policy or a summary of it: ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Diversity and Inclusion Policy) ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement OR ☐ at ~~[insert location]~~ ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Public WGEA Report)	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at ~~[insert location]~~ ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at ~~[insert location]~~	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at ~~[insert location]~~ ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at ~~[insert location]~~	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 ... ⁴	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Remuneration and Nomination Committee Charter) ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/about-us/board-of-directors/ and the Company's 2017 Annual Report ~~[If the entity complies with paragraph (b):]~~ ~~... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:~~ ~~☐ in our Corporate Governance Statement OR~~ ~~☐ at [insert location]~~	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☐ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/about-us/board-of-directors/ and the Company's 2017 Annual Report ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☐ in our Corporate Governance Statement OR ☒ the Company's 2017 Annual Report	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY 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.	... our code of conduct or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at http://www.collinsfg.com.au/files/corporate-governance/key-policies/ (Code of Conduct)	☐ an explanation why that is so 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 ... ⁴	
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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Audit and Risk Committee Charter) ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ the Company's 2017 Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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 ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
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.	... our continuous disclosure compliance policy or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Continuous Disclosure Policy, Disclosure Guidelines)	☐ an explanation why that is so in our Corporate Governance Statement
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.	... information about us and our governance on our website: ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Communications Policy)	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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 ... ⁴	
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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Audit and Risk Committee Charter) ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/about-us/board-of-directors/ and the Company's 2017 Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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 ... ⁴
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	~~[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at [insert location]~~ [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☐ in our Corporate Governance Statement OR ☒ the Company's 2016 Annual R	☐ an explanation why that is so 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 ... ⁴
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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Remuneration and Nomination Committee Charter) ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/about-us/board-of-directors/ [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Remuneration Policy)	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 ... ⁴
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at http://www.collinsfoods.com/investors/corporate-governance/key-policies/ (Securities Trading Policy)	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

Collins Foods Limited (the **Company**)

Collins Foods Limited (the Company) and its Board of Directors strongly support high standards of corporate governance, recognising that the adoption of good corporate governance protects and enhances shareholder interests.

The following statement provides an overview of the Company's governance practices and reports against the ASX Corporate Governance Principles and Recommendations (ASX Principles). The Company's corporate governance practices were in place for the entire year and comply with the ASX Principles unless otherwise stated.

The Company's corporate governance practices are reviewed regularly and will continue to be developed and refined to meet the needs of the Company and taking account of best practice.

1 Lay solid foundations for management and oversight

The role of the Board

- 1.1 The Board's primary role is the protection and enhancement of shareholder value in both the short and long term. Central to this role is the establishment of a clear framework delineating the responsibilities of the Board and management, to ensure the Company is properly managed.
- 1.2 The Board has identified the key functions which it has reserved for itself, which are set out in the Board Charter, a copy of which is available on the Company's website.
- 1.3 The responsibilities of the Board include:
 - (a) providing input to, and approval of, the Company's strategic direction and budgets as developed by management;
 - (b) directing, monitoring and assessing the Company's performance against strategic and business plans, to determine if appropriate resources are available;
 - (c) approving and monitoring capital management and major capital expenditure, acquisitions and divestments;
 - (d) overseeing the establishment and implementation of risk management and internal control systems and reviewing the effectiveness of their implementation;
 - (e) approving and monitoring internal and external financial and non-financial reporting, including reporting to shareholders, the ASX and other stakeholders;
 - (f) appointment, performance assessment and, if appropriate, removal of the Chief Executive Officer (CEO);
 - (g) approving the appointment and/or removal of the Chief Financial Officer (CFO) and Company Secretary and other members of the senior executive management team where appropriate;
 - (h) overseeing and contributing to the performance assessment of members of the senior management executive team; and
 - (i) encouraging ethical behaviour and compliance with the Company's own governing documents, including the Company's Code of Conduct.
- 1.4 The Board has established Committees to assist in carrying out its responsibilities and to review certain issues and functions in detail. The Board Committees are discussed at '2' below.
- 1.5 Non-executive Directors are issued with formal letters of appointment governing their roles and responsibilities.

Document No	Prepared by	Approved by	Date
Corporate Governance	Company Secretary	Board	June 2016

Delegations to Management

- 1.6 The Board has delegated responsibility for implementing the Company's strategy as approved by the Board and for the day-to-day management and administration of the Company to the Managing Director & CEO supported by the senior management executive team.
- 1.7 Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Management reports to the Board at regular Board meetings, providing updates on initiatives and issues.
- 1.8 Senior management executives are issued with formal letters of appointment governing their roles and undergo a formal induction process.

Executive performance assessment

- 1.1 The Board approves criteria for assessing performance of the Managing Director & CEO and other senior management executives and monitoring and evaluating their performance.
- 1.2 The Remuneration and Nomination Committee is responsible to the Board for ensuring the performance of the Managing Director & CEO and other senior management executives is reviewed at least annually. The Committee reviews the performance of the Managing Director & CEO, while the Managing Director & CEO is responsible for performance reviews of senior management executives.
- 1.3 Performance evaluations for the Managing Director & CEO and other senior management executives were undertaken during the year in accordance with the above process.

2 Structure the Board to add value

Board composition

- 2.1 Consistent with its Charter, the Company's Board is comprised of Directors with diverse yet complementary skills and experience, enabling it to appropriately and effectively oversee all aspects of the Company's operations and enhance performance.
- 2.2 The Board is comprised of six Directors (the Company's Constitution provides for a minimum of three and a maximum of ten Directors), which the Board believes to be an appropriate size to discharge its duties as well as be conducive to effective discussion and efficient decision making.
- 2.3 Four of the Company's six Directors are non-executive Directors, including the Chairman, with two executive Directors. This structure enables an appropriate balance to be struck between Directors with experience and knowledge of the business operations and Directors with an external perspective and a level of independence.
- 2.4 The Board is structured to maintain a majority of independent Directors, to ensure independent judgement is brought to bear on all decisions. All four of the Company's non-executive Directors, including the Chairman, are independent Directors.
- 2.5 The Chairman is elected by the Board and is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their roles and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's senior executives, including the Managing Director & CEO (a role which is exercised by a separate individual).
- 2.6 The Managing Director & CEO is responsible for implementing Company strategies and policies.
- 2.7 Details for each Director of the Company, including details of skills, experience and expertise are set out in the Directors' Report.

Director independence and conflicts of interest

- 2.8 A Director will be considered independent from the Company if he or she has no business or other relationship which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

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- 2.9 The Board requires each Director to disclose any new information, matter or relationship which could, or could reasonably be perceived to, impair the Director's independence, as soon as these come to light. All material personal interests are verified at each Board meeting under a standing agenda item. Materiality is assessed on a case by case basis from the perspective of both the Company and the Director concerned.
- 2.10 The Board periodically assesses the independence of each Director, utilising independence criteria aligned with the ASX Principles. All of the non-executive Directors of the Company throughout the financial year and as at the date of this report have been determined to be independent.
- 2.11 In accordance with the Corporations Act 2001 (Cth) and the Constitution of the Company, Directors are restricted in their involvement when the Board considers and votes on any matter in which a Director has a material personal interest.
- 2.12 The Board also has procedures in place to ensure it operates independently of management. Non-executive Directors meet together periodically in the absence of executive Directors and other executives of the Company to discuss the operation of the Board and a range of other matters.

Board access to information and advice

- 2.13 Directors and Board Committees have the right to seek independent professional advice at the Company's expense to assist them to discharge their duties. Whilst the Chairman's prior approval is required, it may not be unreasonably withheld.
- 2.14 All Directors have access to the Company Secretary, who supports the effectiveness of the Board and is accountable to the Board on all governance matters. The appointment and removal of the Company Secretary is a matter for approval by the Board.

Board skills

- 2.15 The Board is responsible for the overall operation and stewardship of Collins Foods and, in particular, for the long-term growth and profitability of the Company. The Board succession policy is therefore focused upon maintaining a director membership with diverse yet complimentary skills and experience that enables it to appropriately and effectively oversee the execution of the Company's policies, strategies and financial objectives.
- 2.16 The Directors of the Company identify the following strategic priorities that are regarded to be key drivers of long term shareholder value creation:
- (a) A focus upon driving sales with innovative products to maximise turnover and enhance profitability.
 - (b) Promoting superior operational performance that supports cost management initiatives and drives efficiencies that can meet the challenges of an evolving and increasingly competitive food services industry.
 - (c) Pursuing sustainable and strategic growth opportunities through investments and acquisitions that further strengthen the resilience of the business, enhance the existing network and support increased market penetration.
- 2.17 The Board has conducted a self-assessment of the aggregate human capital of the Board across two categories: functional skills and depth of experience.

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- 2.18 The following functional skills are identified and are considered to be adequately represented on the Board as at financial year end:

Functional Skills	Number Directors with skills / total Directors
Finance and Capital Markets	5/6
Legal	5/6
Audit and Accounting	3/6
Mergers and Acquisitions	5/6
Project Management	5/6
Risk and Compliance	5/6
Operations	3/6
Human Resources	5/6
Marketing	4/6
IT	4/6

- 2.19 The following areas of expertise are assessed, whereby the current aggregate board representation is considered appropriate with regard to business operations and the communicated strategy for the Company:

Experience	Number Directors with skills / total Directors
Corporate Governance	6/6
Business Growth	6/6
Executive Management	4/6
Retail Food	3/6
Strategy and Planning	6/6
Listed/Public Company Environment	6/6
Environmental and Social	6/6
International Business	3/6
Regulatory Skills and Government Relations	4/6
Property Management	3/6
Research and Development	4/6
Workplace Health and Safety	4/6

- 2.20 In performing its responsibilities, the Board endeavours to serve the interests of shareholders, employees, customers and the broader community. The Board regards itself as carrying all the appropriate aspects required for fulfilling its director duties, overseeing the performance of senior management and the execution of the Company's long term strategy.

Selection, appointment and re-election of Directors

- 2.21 When it is assessed that a new Director should be appointed to the Board, as an outcome from size and composition review or succession planning, the Remuneration and Nomination Committee prepares a position brief identifying the skills required. These skills identified ensure a complementary mix of financial, legal, industry and listed entity knowledge and experience is maintained on the Board, having regard to the Company's Diversity and Inclusion Policy. From this, a short list of candidates is prepared, from already identified individuals and/or independent search consultants.
- 2.22 The Board appoints the most suitable candidate who must stand for election or re-election at the next annual general meeting.
- 2.23 The Remuneration and Nomination Committee is also responsible for making recommendations whether or not Directors, whose term of office is expiring, should be proposed for re-election at the Company's next annual general meeting.
- 2.24 All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.

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- 2.25 In accordance with the Constitution of the Company, no Director, except the Managing Director, shall hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.
- 2.26 Selected Directors are then offered for re-election at the next annual general meeting, with sufficient details to allow shareholders to make an informed decision on their election.

Commitment

- 2.27 The commitments of non-executive Directors are considered prior to a Director's appointment to the Board and are reviewed each year as part of the annual performance assessment.
- 2.28 Prior to appointment or being submitted for re-election, each non-executive Director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.
- 2.29 Commitment is required in relation to preparation and attendance at scheduled Board meetings, strategy workshops and non-scheduled meetings called to address specific matters needing urgent attention.

Induction and education

- 2.30 Each new Director appointed undergoes a formal induction which provides them with information to enable them to actively participate in Board decision making as soon as possible, including information on the Company's operations and Board and management roles, responsibilities and interactions. Directors are provided access to continuing education to update and enhance their skills and knowledge.

Review of Board performance

- 2.31 In accordance with the Board Charter, the Board undertakes an annual Board evaluation.
- 2.32 The review involves consideration of the Board's performance against the Board Charter, and sets forth goals and objectives for the Board for the upcoming year.
- 2.33 The Remuneration and Nomination Committee oversees the evaluation of the performance of the Board and each Director, including an assessment of whether each Director has devoted sufficient time to his or her duties.
- 2.34 Performance evaluations for the Board and each Director are undertaken in accordance with the above via a process convened by the Chairman and/ or by an independent third party approximately every three years.

Board Committees

- 2.35 To assist in undertaking its duties, the Board has established the following Committees:
- (a) the Audit and Risk Committee; and
 - (b) the Remuneration and Nomination Committee.
- 2.36 Charters specify the responsibilities, composition, membership requirements, reporting processes and the manner in which the Committees are to operate. These Charters are reviewed on an annual basis. All matters determined by Committees are submitted to the Board as recommendations for Board decisions.
- 2.37 Details of Directors' membership of each Committee and their attendance at meetings are set out in the Directors' Report.

3 Promote ethical and responsible decision making

Code of Conduct

- 3.1 The Company's commitment to maintaining ethical standards in its business activities is demonstrated in its values and its Code of Conduct which embraces these values. The Code of Conduct, which applies to all Directors and employees of the Company, contains policy statements and describes the standards of behaviour expected by the Company.
- 3.2 In summary, the Code of Conduct requires that all Directors and employees perform their duties professionally, in compliance with laws and regulations; and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

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3.3 Employees are actively encouraged to report any breaches of the Code of Conduct or other policies and procedures in place, and the Company has a Whistleblower Policy and Ethics and Integrity line in place in support of this.

3.4 The Code of Conduct and Whistleblower Policy are available on the Company's website.

Diversity and Inclusion Policy

3.5 The Company values and is proud of its strong and diverse workforce and is committed to supporting and further developing this diversity. Accordingly, the Company has developed a Diversity and Inclusion Policy which outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measureable objectives for achieving diversity, and for the Board to assess annually both the objectives and the Company's progress in achieving them.

3.6 The Board has established the overarching objective of females representing at least 51% of the organisation's workforce. The Board also endorses other objectives of the organisation's businesses including measures in relation to female regional general manager levels, flexible working arrangements, and maternity and return to work arrangements.

3.7 Information on the actual number and proportion of women employed by the organisation is set out below.

	2017 ACTUAL		2016 ACTUAL	
	Number	%	Number	%
Number of women employees in the whole organisation	4,828	50.6	4,410	50.6
Number of women in senior executive ¹ positions	2	33	3	42.90
Number of women on the Board	1	17	1	17

1 Senior executives includes managers who hold roles designated as senior executive roles, as well as Key Management Personnel.

3.8 A copy of the Diversity and Inclusion Policy is available on the Company's website.

4 Safeguard integrity in financial reporting

Audit and Risk Committee

4.1 The Audit and Risk Committee has been established to assist the Board to focus on issues relevant to the integrity of the Company's financial reporting.

4.2 The Committee operates in accordance with a Charter which is available on the Company's website.

4.3 Its main responsibilities include:

- (a) reviewing, assessing and recommending the Board approve the annual and half-year financial reports and all other financial information published by the Company or released to the market;
- (b) overseeing the implementation and effective operation of the Company's Risk Management system by management;
- (c) monitoring the adequacy and effectiveness of the Company's internal control framework including administrative, operating, accounting and financial controls to produce reliable financial reporting information and compliance with legal and regulatory obligations;
- (d) making recommendations to the Board on the appointment, reappointment or replacement and remuneration of the external auditors, their terms of engagement and scope of audits;
- (e) monitoring the effectiveness and independence of the external auditors;
- (f) determining whether or not a formal internal audit function should be in place and recommending the approval of the appointment (and if appropriate, the removal) of the internal auditor; and
- (g) monitoring and reviewing Management's performance in establishing systems to provide for safe operations and for safety management in all the Company's workplaces.

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- 4.4 In carrying out its responsibilities, the Committee is authorised to:
- (a) have access to, and meet with, auditors (external and internal), employees of the Company and any external advisors without executives or management of the Company being present; and
 - (b) seek any information it requires from an employee (and all employees are directed to co-operate with any request made by the Committee) or external parties.

4.5 Consistent with its Charter, the Audit and Risk Committee is currently comprised of four non-executive Directors, is chaired by an independent Chairperson who is not Chair of the Board and all members are independent Directors. All members of the Committee are financially literate and have an appropriate understanding of the industry in which the Company operates; and one member has extensive experience and expertise in accountancy, as a former partner of a major accounting firm. The Committee meets at least four times a year. During the financial year, the Committee met six times.

4.6 The background details of the Audit and Risk Committee members and attendance at Committee meetings are set out in the Directors' Report.

External auditors

4.7 The Audit and Risk Committee reviews the effectiveness of the external auditors and makes assessments in relation to their continued independence at least annually.

4.8 PwC was appointed external auditor in 2005. It is PwC's policy to rotate audit engagement partners on listed companies at least every five years.

4.9 An analysis of fees paid to the external auditors, including fees for non-audit services, is provided in the Directors' Report and notes to the financial statements. It is the policy of PwC to provide an annual declaration of its independence to the Audit and Risk Committee.

4.10 The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Declaration by Management

4.11 The CEO and Group CFO provide formal assurance to the Board that the Company's financial statements present a true and fair view of the Company's financial condition and operational results.

5 Make timely and balanced disclosure

Continuous disclosure and shareholder communications

- 5.1 The Company has policies and procedures in place in relation to continuous disclosure and shareholder communications. These outline the Company's commitment to providing all shareholders and investors with equal access to the Company's information and disclosing all information that a reasonable person would expect to have a material effect on the share price to the ASX, in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules. Copies of these policies are available on the Company's website.
- 5.2 The Company Secretary has primary responsibility for all communications with the ASX, overseeing and co-ordinating all information disclosure to the ASX, shareholders and other relevant parties. All information released to the ASX is posted on the Company's website.
- 5.3 All employees have a responsibility to report any potentially price or value sensitive information to the Company Secretary, who is then responsible for ensuring this information is advised to the Disclosure Committee which then makes recommendations to the Board.
- 5.4 The Company also has assigned Authorised Spokespersons for the Company, to ensure all public communications are within the bounds of information that is already in the public domain, and/or is not material.

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6 Respect the rights of shareholders

- 6.1 The Company is committed to effective communication with its stakeholders and seeks to ensure that all stakeholders, market participants and the wider community are informed of its activities and performance. This commitment and supporting policies are set out in the Company's Communication Policy which is available on the Company's website.
- 6.2 Information is communicated to shareholders through the Company's website, annual report, ASX announcements and media releases, dividend mailouts, email broadcasts and other means where appropriate.
- 6.3 The Company encourages attendance at, and participation in, general meetings.
- 6.4 The Company also periodically conducts investor briefings to its institutional investors, brokers and analysts.

7 Recognise and manage risk

- 7.1 Risk management is viewed by the Company as integral to its objective of creating and maintaining shareholder value and is the responsibility of all Directors and employees.
- 7.2 The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control. The Board has delegated to the Audit and Risk Committee responsibility for the detailed work involved in this oversight role.
- 7.3 The Company undertakes its risk management activities utilising a Business Risk Management Framework, the methodology for which is consistent with the International Risk Management Standard ISO31000.
- 7.4 Key risk registers and business risk registers, utilising web enabled software, are maintained and regularly reviewed by management.
- 7.5 Those with assigned accountability for risks are required to sign off regularly that those risks have been managed effectively. Key risk registers are reviewed periodically, but at least twice annually by the Audit and Risk Committee. The overall results of this assessment are presented to the Board at its next meeting. The Board also considers risk management at every Board meeting and requests additional information as required.
- 7.6 Compliance programs operate to ensure the Company meets its regulatory obligations.
- 7.7 Management reports to the Board as to the effectiveness of the Company's management of its material business risks on an annual basis.
- 7.8 The Board receives a written assurance from the CEO and the CFO that to the best of their knowledge and belief, the declaration provided by them in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in relation to financial reporting risks.

Risk profile

- 7.9 The material risks faced by the Group that have the potential to effect on the financial prospects of the Group and how the Group manages these risks, include:
 - (a) **food safety** – health and safety of the public is compromised from food products. We address this risk through robust internal food safety and sanitation practices, audit programs, customer complaint processes, supplier partner selection protocols and communication policy and protocols;
 - (b) **workplace health and safety** – risk that the Company does not provide a safe working environment for its people, contractors and the community. We address this risk through robust internal work health and safety practices, the implementation of initiatives and education programs with a focus on preventative measures with enhanced dedicated support in high risk areas to ensure the wellbeing of our people;
 - (c) **culture and people** – risk that the Company's culture and people are negatively impacted by new acquisitions and growth and/ or is not aligned and mature to support strategic priorities. We address this risk through recognition and reward programs and designation of appropriate human

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resources;

- (d) **brand growth and diversification (non-KFC)** – risk that the Company does not successfully grow emerging brands and/ or acquire and integrate strategically identified new brands. We address this risk through having an experienced management team, robust project management processes involving trials and staged rollouts and regular strategic reviews;
- (e) **deterioration of KFC brand** – the global KFC brand and reputation is damaged impacting the brand's performance in Australian markets. We address this risk through maintaining a close working relationship with the franchisor, having our team members sit on relevant KFC advisory groups and committees and monitoring compliance with obligations;
- (f) **supply chain disruption** – inability to source key food and consumable products in an ethical manner, at the quality required within the prescribed time frames. We address this risk through use of multiple suppliers where possible with a diverse geographic base with multiple distribution routes;
- (g) **systems integrity and cyber security** - key systems are not sufficiently stable, integrated and/ or secure to support business operations and decision making. We address this risk through the increase of financial and human resources to the systems function and implementation of a systems and cyber security plan;
- (h) **inability to identify and react to consumer and competitive behaviour** – demand for the Company's products declines as a result of a failure to understand and adapt to changes in consumer preferences or expectations and an inability to react to competitor activity and technological advances. We address this risk through keeping abreast of economic and consumer data/ research, innovative product development, broadening of the menu offering and brand building; and
- (i) **inability to adapt, innovate and change** - inability to adapt, innovate and manage change in the organisation which negatively influences achievement of strategic and business priorities. We address this risk through having an experienced management team, robust project management processes involving trials and staged rollouts and regular strategic reviews.

Internal audit

- 7.10 Due to the nature of the Company's activities, the Company has not established a formal internal audit function. In addition to the assurance received from the Managing Director & CEO and Group Chief Financial Officer regarding risk management and internal control processes, the Audit and Risk Committee:
- (a) considers matters associated with the risk management framework at each Audit and Risk Committee meeting;
 - (b) receives regular loss prevention updates from the National Loss Prevention Manager;
 - (c) engages the services of independent external consultants to assist with the evaluation and identification of areas to improve the effectiveness of the Company's risk management and internal control processes. The independent external consultants report directly to the Audit and Risk Committee.

The establishment of this function is being reviewed by the Company.

8 Remunerate fairly and responsibly

Remuneration and Nomination Committee

- 8.1 The Remuneration and Nomination Committee has been established to assist the Board and operates in accordance with a Charter which is available on the Company's website.
- 8.2 Its main responsibilities, with respect to remuneration, include:
- (a) reviewing and making recommendations to the Board with respect to the Company's remuneration principles, framework and policy for senior executives and Directors;

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- (b) providing advice in relation to remuneration packages of senior management executives, non-executive Directors and executive Directors;
- (c) reviewing and making recommendations to the Board with respect to Company incentive schemes, including the implementation and operation of equity-based incentive plans, bonus plans and other employee benefit programs; and
- (d) reviewing the Company's recruitment, retention and termination policies.

- 8.3 In carrying out its responsibilities, the Remuneration and Nomination Committee is authorised to obtain outside professional advice as it determines necessary and it has received briefings during the year from external remuneration experts on various matters.
- 8.4 Consistent with its Charter, the Remuneration and Nomination Committee is chaired by an independent Chairperson and all members are independent Directors. The Committee meets at least three times a year. During the financial year, the Committee met five times.
- 8.5 The background details of the Remuneration and Nomination Committee members and attendance at Committee meetings are set out in the Directors' Report.
- 8.6 Information on Directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading 'Remuneration Report'.

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