Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

MOTORCYCLE HOLDINGS LIMITED

ABN / ARBN:

29 150 386 995

Financial year ended:

30 JUNE 2017

Our corporate governance statement[2] for the above period above can be found at:[3]

☒ This URL on our website: http://www.mcholdings.com.au/carsearch/page/?page=7

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

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

Date: 30 August 2017 30 August 2017

Name of Director authorising lodgement: David Foster, Chairman

[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.

MotorCycle Holdings

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 … 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 http://www.mcholdings.com.au/carsearch/page/?page=7	
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	
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	
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	

[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.

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 … and a copy of our diversity policy or a summary of it: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7 … and the information referred to in paragraphs (c)(1) or (2): ☒ WEGA Report at https://wic045p.server-secure.com/vs362668_secure//CMS/files_cms/2016-17_public_report_Trustee_for_Motorcycle_Holdings_Group.pdf	☒ an explanation why the Company has not yet set diversity objectives is in our Corporate Governance Statement
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 … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	
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 … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have 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.	… the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7 … and the information referred to in paragraphs (4) and (5): ☒ in the Company's 2017 Annual Report, a copy of which has been lodged with ASX and is on the Company's website at http://www.mcholdings.com.au/carsearch/page/?page=5	
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	
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 … and the length of service of each director: ☒ in the 2017 Annual Report lodged with ASX, a copy of which is on the Company's website at http://www.mcholdings.com.au/carsearch/page/?page=5	

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]
2.4	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	
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	
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	
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: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7	

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.	… the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7… and the information referred to in paragraphs (4) and (5): ☒ in the 2017 Annual Report lodged with ASX, a copy of which is on the Company's website at http://www.mcholdings.com.au/carsearch/page/?page=5	
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	
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	

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 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: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7	
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.mcholdings.com.au/	
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	
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	
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	

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.	… the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement … and a copy of the charter of the committee: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7 … and the information referred to in paragraphs (4) and (5): ☒ In the 2017 Annual Report lodged with ASX, a copy of which is on the Company's website at http://www.mcholdings.com.au/carsearch/page/?page=5 [	
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.		☒ an explanation why that is so in our Corporate Governance Statement
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.	… 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	

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]
7.4	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	

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** … and a copy of the charter of the committee: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7 … and the information referred to in paragraphs (4) and (5): ☒ in the 2017 Financial Report, a copy of which has been lodged with the ASX and is on our website	
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: ☒ at http://www.mcholdings.com.au/carsearch/page/?page=7	
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.		☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable

MotorCycle Holdings Limited (ACN 150 386 995) ("**MTO**")
Corporate Governance Statement | 30 August 2017

The governance measures adopted by the board of directors of MTO ("**Board**") reflect the Board's endorsement of the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations, 3rd edition, 2014 (the "**Principles**"). This Corporate Governance Statement discloses the extent to which MTO complies with the Principles and if it does not, why not. The commentary addresses the reasons for any departure from the requirements and the following legend has been used to summarise the status of MTO's compliance with the Principles:

MTO complies with the Principle	✔
MTO does not comply with the Principle and is either working towards complying with the Principle or has alternative governance arrangements	✗

Corporate Governance Principle and Supporting Information		
Principle 1 - Lay solid foundations for management and oversight		
1.1	The Board has outlined in the Board Charter, the Board's roles and responsibilities and has established a clear distinction between its functions and those delegated to management.	✔
1.2	Appropriate checks including criminal record checks have been carried out on all Board members prior to their appointment. MTO will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at future general meetings.	✔
1.3	All directors and senior executives have a written agreement with MTO setting out the terms of their appointment.	✔
1.4	MTO Secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board.	✔
1.5	The Board has adopted a Diversity Policy (a copy of which is on MTO's website). The Diversity Policy requires the Board to set measurable objectives for obtaining gender diversity. The Board has not yet set measurable objectives but intends to review the diversity statistics within MTO and use those measures to formulate measurable objectives. This will take place during the 2018 financial year. MTO is a "relevant employer" under the Workplace Gender Equality Act, and the most recent "Gender Equality Indicators", as defined in and published under that Act are found in our WEGA Report, a copy of which is on MTO's website.	✗
1.6	At least once per year the Board will, with the advice and assistance of the Nomination and Remuneration Committee, review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters,	✔

Corporate Governance Principle and Supporting Information		
	corporate governance policies, and agreed goals and objectives. The requirement for these evaluations is set out in the Board Charter. A review of the Board, Committees and each director was undertaken this year and targets for 2018 were established.	
1.7	Performance reviews for the Managing Director and senior management take place at least annually. The Nomination and Remuneration Committee has accountability in its Charter to oversee these reviews and report to the Board on their outcomes. Disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.	✔
Principle 2 - Structure the board to add value		
2.1	The Board has formed a Nomination and Remuneration Committee. The charter for the Nomination and Remuneration Committee is available on MTO's website. Membership of the Nomination and Remuneration Committee is: - Warren Bee (Chairman, independent, non-executive director); - Rick Dennis (independent non-executive director); and - Peter Henley (independent, non-executive director).	✔
2.2	With the addition of two new Non-executive directors this year with targeted skills, the Board has undertaken a skills analysis aligned to desired skills to drive MTO strategy. The outcomes of that analysis are set out below and assists in guiding future appointments.	✔

Skills Matrix

Skills and Experience	No of Directors		
	Foundational	***Competent***	***Expert***
Strategy	-	2	3
Analysis of Financial Statements	-	2	3
Risk Management	-	2	3
Corporate Governance	2	2	1
Senior Executive Leadership	-	-	5
Information Technology and Governance	2	1	1

Corporate Governance Principle and Supporting Information		

Organisational Growth and Change	-	2	3
Strategic Human Resource Management	-	4	1
Commercial and Business Experience	-	1	4
Legal Experience	-	5	-
Automotive and/or Engineering	1	1	3
Capital Raising & M&A	2	2	1
Developing and commercialising New Products	1	3	1
Retail Consumer & Customer Experience	1	1	3
Networks in Automotive and Motorcycle Industry	2	1	2

2.3	The Board Charter sets out the criteria adopted by the Board for considering if a director is independent. A majority of the Board consists of independent directors. The Board is comprised of five members, four of whom are independent (Peter Henley, Rick Dennis, David Foster and Warren Bee). MTO recognises the importance of having a majority of the Board as independent directors and this was instrumental in determining the membership of the Board. David Ahmet and Warren Bee were appointed to the Board on 30 June 2011, David Foster was appointed to the Board on 8 March 2016, Rick Dennis was appointed to the Board on 1 September 2016 and Peter Henley was appointed to the Board on 1 March 2017. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of MTO. David Foster, Rick Dennis, Peter Henley and Warren Bee are considered independent as none of them has a material shareholding in MTO or is an advisor or supplier to MTO or has any other material contractual relationship with MTO other than their position as a director.	✔
2.4	The Board is comprised of five members, four of whom are independent (David Foster, Rick Dennis, Peter Henley and Warren Bee).	✔
2.5	The Chairman is an independent director and facilitates the effective contribution of all directors at Board meetings. The roles of Chair and Managing Director are exercised by different individuals.	✔

Corporate Governance Principle and Supporting Information		
2.6	All non-executive directors have had an induction into the business of MTO prior to accepting their appointment and have received continuing information on MTO and its operations since being appointed. The induction process has included site visits and presentations by management. Directors are also given access to continuing education in relation to MTO extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.	✔
Principle 3 - Act ethically and responsibly		
3.1	The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which is disclosed on MTO's website.	✔
Principle 4 - Safeguard integrity in corporate reporting		
4.1	The Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is available on MTO's website. The Audit and Risk Committee is comprised only of independent non-executive directors. Its composition being: - Rick Dennis (Chairman, independent, non-executive director); - Peter Henley (independent non-executive director); and - Warren Bee (independent, non-executive director). Rick Dennis took over from David Foster as Chairman of the Audit and Risk Committee on 1 September 2017. The relevant qualifications and experience of the members of the Audit and Risk Committee are set out in the Director's biographies under the Board tab on MTO's website.	✔
4.2	The Board of MTO requires declarations and management representations in respect of the financial records and information of the business from the CEO and CFO for both the half-year and full-year results.	✔
4.3	MTO's external auditor will be requested to attend the AGM and make themselves available to answer questions from shareholders relevant to the audit.	✔
Principle 5 - Make timely and balanced disclosure		
5.1	The Board has established a written Disclosure and Communication policy to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The Disclosure and communication policy is on MTO's website.	✔

Corporate Governance Principle and Supporting Information		
Principle 6 - Respect the rights of Shareholders		
6.1	MTO has a website which provides information about it, the directors and executives, key governance policies and other information relevant to its investors. The website will be a key communication tool between MTO and the shareholders. www.mcholdings.com.au	✔
6.2	MTO has an investor relations program to facilitate effective two-way communication with investors which includes roadshows after the release of the half and full year results.	✔
6.3	The Board has adopted the Disclosure and Communication policy and will provide shareholders with opportunities to have questions addressed at shareholder meetings, irrespective of whether the shareholder is able to attend.	✔
6.4	All shareholders of MTO are able to communicate with MTO and its share registry electronically and in fact this method of communication is encouraged.	✔
Principle 7 - Recognise and manage risk		
7.1	The Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is available on MTO's website. The Audit and Risk Committee is comprised only of Independent Non-executive Directors. Its composition being: - Rick Dennis (Chairman, independent, non-executive director); - Peter Henley (independent non-executive director); and - Warren Bee (independent, non-executive director).	✔
7.2	MTO has progressed its risk management framework this year and is working towards the completion of an Enterprise Risk Framework which details strategic, operational, financial and regulatory risks impacting the Group. The Board has appointed the Audit and Risk Committee to assist it with discharging its oversight function in respect of enterprise risks and to determine if the system of risk management is sound. Outcomes of that review will be reported in the corporate governance statement from next year.	✗
7.3	MTO does not have an internal audit function. This decision will however be kept under review. The Board works with management to review the management assurance function, to provide assurance to the Board on the effectiveness of internal controls and recommend improvements to those controls. Where necessary independent third parties are requested to undertake audits of specific parts of the business.	✗

Corporate Governance Principle and Supporting Information		
7.4	MTO recognises the importance of, and is committed to, the identification, monitoring and management of material risks associated with its activities. Material risks of MTO are kept under review and actively managed within MTO's risk management framework and discussed by the Audit and Risk Committee and the Board. These material risks are set out below and are not in any particular order. Strategic: Loss of key management personnel; Damage to or dilution of MTO brands and market position Operational: Work Health and Safety; Loss of licence for key products; Cybersecurity risks Financial & Regulatory: Regulatory changes impacting on revenue	✔
Principle 8 - Remunerate fairly and responsibly		
8.1	The Board has formed a combined Nomination and Remuneration Committee. Membership of the Nomination and Remuneration Committee is: - Warren Bee (Chairman, independent, non-executive director); - Rick Dennis (independent non-executive director); and - Peter Henley (independent, non-executive director). A copy of the charter for the Nomination and Remuneration Committee is provided on MTO's website.	✔
8.2	The Board has adopted a remuneration policy for non-executive directors, a copy of which appears on the Company's website	✔
8.3	MTO does not yet have an employee share ownership scheme in place but if and when it does, the Share Trading Policy sets out the requirement that participants will be prohibited from entering into transactions which limit the economic risk of their participation in that scheme.	✔