

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

LANTERN HOTEL GROUP comprising : Lantern Real Estate Trust and Lantern Hotel Group Limited

ABN / ARBN:

108 982 627 / 71 145 967 899

Financial year ended:

30 JUNE 2018

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.lanternhotels.com.au/investors>

The Corporate Governance Statement is accurate and up to date as at **27 August 2018** and has been approved by the board.

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

Date: **29 August 2018**

Name of Director or Secretary authorising lodgement: **Leanne Ralph**

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.

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: <input checked="" type="checkbox"/> 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): <input checked="" type="checkbox"/> in our Board Charter at http://www.lanternhotels.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> detailed at 1.2(a) Corporate Governance Statement 1.2(b) All material information relevant to a decision on whether to elect or not elect or re-elect a director is contained in the Company's AGM notice of Meeting at http://www.lanternhotels.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> in our Board Charter at http://www.lanternhotels.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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.

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
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.lanternhotels.com.au/investors</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so for 1.5 (c) in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> details of the outcomes of the performance evaluation undertaken during the year for the CEO and senior executives can be found in the Remuneration Report in the Annual Report. Refer http://www.lanternhotels.com.au/investors</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>If the entity complies with paragraph (b):</p> <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> 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: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> at http://www.lanternhotels.com.au/investors	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have 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	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>If the entity complies with paragraph (a):</p> <p>... the fact that we have an audit committee that complies with paragraphs (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.lanternhotels.com.au/investors</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at</p> <p>4.1(a)(4) Corporate Governance Statement and http://www.lanternhotels.com.au/investors</p> <p>4.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer http://www.lanternhotels.com.au/investors</p> <p>Note :The Committee is a combined Audit and Risk Committee</p>	<p><input checked="" type="checkbox"/> an explanation why that is so for 4.1(a)(1) in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

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: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> at http://www.lanternhotels.com.au/investors	<input type="checkbox"/> 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: <input checked="" type="checkbox"/> at http://www.lanternhotels.com.au/investors	<input type="checkbox"/> 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: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input checked="" type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have 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	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an risk committee that complies with paragraphs (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.lanternhotels.com.au/investors</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> at</p> <p>7.1(a)(4) Corporate Governance Statement and</p> <p>7.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer http://www.lanternhotels.com.au/investors</p> <p>Note : The Committee is a combined Audit and Risk Committee</p>	<p><input checked="" type="checkbox"/> an explanation why that is so for 7.1(a)(1) in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 (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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have 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	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>If the entity complies with paragraph (b):</p> <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement AND</p> <p><input checked="" type="checkbox"/> in the Remuneration Report section of the Annual Report at http://www.lanternhotels.com.au/investors</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement (**Statement**) outlines the main corporate governance practices currently in place for Lantern Hotel Group (**Group** or **Lantern**) and also addresses the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The Board recognises that the Group does not accord with the all of the principles and recommendations of the ASX Corporate Governance Council. The reason for this is that the Group finalised an asset sell down program in the prior year, and this became the primary role of the board during this time. Other reasons for non-compliance with the ASX Recommendations are provided in this Statement.

The corporate governance policies and practices described below are those that have been in place for the 2017-18 financial year, or as at the date of this report where indicated.

All references to the Group's website are to <http://www.lanternhotels.com.au>

Principle 1: Lay solid foundations for management and oversight

(a) Lantern Hotel Group and its Constitutions

Lantern Hotel Group is a stapled structure comprising the parent company, Lantern Hotel Group Limited (**LHGL**) and Lantern Real Estate Trust (**LRET**) (together known as the **Group**). LHGL and LRET each have their own Constitution (**the Constitutions**) both of which have been lodged with the Australian Securities and Investments Commission (**ASIC**). These Constitutions and the Corporations Act govern the rights and obligations of securityholders. The terms contained in each Constitution are substantially the same.

The responsible entity of LRET, Lantern RE Limited (**LRE**) is the holder of an Australian Financial Services Licence (**AFSL**).

As a result of the stapling, LHGL and LRE operate as a coordinated Group with the Boards of both companies having the same composition and the meetings held concurrently where appropriate. References to the 'Board' in this statement are references to the Board of LHGL and LRE (as the Responsible Entity of LRET).

LRET was wound up on 18 July 2018, after the end of the 2017-18 financial year.

(b) Compliance Plans

In accordance with Corporations Act requirements, the Responsible Entity has registered compliance plans for LRET with ASIC. The compliance plans describe the procedures that the Responsible Entity applied in operating LRET to ensure compliance with the Corporations Act and the Constitutions of LHGL and LRET.

The Board of the Responsible Entity is responsible for monitoring the Group's compliance with the compliance plans. Further details are provided under the section on risk management.

(c) Role of the Board

The Board is committed to effectively representing the Group, and thereby extracting the highest possible value to all securityholders. The Board is accountable to securityholders for the management of the Group's business and affairs and as such is responsible for the overall strategy, governance and performance of the Group. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Group has established a governance framework, which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management. The Board operates under a formal charter that details the responsibilities of the Board. This charter can be found on the Group's website.

(d) Appointments to the Board

When considering the appointment of directors to the Board, appropriate checks are carried out. In addition, the Board considers and formally resolves to support the election or re-election of directors to securityholders at general meetings/annual general meeting.

The Board supplies all material information in relation to the election or re-election of directors for securityholders to make an informed decision, in the notice of meeting and explanatory notes for those meetings.

Non-executive directors are appointed pursuant to formal letters of appointment which set out the key terms and conditions of the appointment, the Board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

(e) Role of the Board of the Responsible Entity

As the Responsible Entity, the Board of LRE has additional responsibilities for the operation of LRET. The Responsible Entity must exercise its powers and perform the obligations conferred on it under the Constitutions and the Corporations Act and ensure that the activities of the Group are conducted in a proper and efficient manner in the best interests of unitholders. The Responsible Entity must also ensure compliance with the conditions of the AFSL and approve and monitor compliance with compliance plans.

(f) Board Committees

The ultimate responsibility for the oversight of the operations of the Group rests with the Board. However, the Board may discharge any of its responsibilities through Committees of the Board in accordance with the Constitutions and the Corporations Act.

The Board no longer has an established Audit and Risk Committee due to the wind down of the Group's activities and sell down of assets. The Board has assumed all responsibility previously carried out by the Audit and Risk Committee, and as such there were no Audit and Risk Committee meetings held for the 2017-2018 financial year.

The number of scheduled Board meetings held during the year ended 30 June 2018 and the number of meetings attended by each of the directors is set out in the table below:

	Board	
	A	B
Ms Shirley Liew	8	8
Mr Graeme Campbell	8	8
Mr Matthew Stubbs	8	8

A: Meetings eligible to attend B: Meetings attended

(g) The Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board and its Committees as required. The Company Secretary is accountable to the Board through the chairperson on all corporate governance matters and the proper functioning of the Board.

(h) Diversity

In appointing members to the Board, consideration is given to the skills, business experience and educational backgrounds of candidates. The advantage of having a mix of relevant business, executive and professional experience on the Board; the importance of cultural and ethical values; and the benefits of diversity, including gender diversity, is also recognised. These factors will also be considered in any future appointments to the Board including any identified skills 'gaps'.

The Board oversees the director nomination process and determines who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checking.

The Board currently has one female non-executive director out of three directors, Ms Shirley Liew.

A formal Diversity Policy has been adopted by the Board that outlines the Group's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. Lantern promotes an inclusive workplace where employee differences in areas including gender, age, culture, disability and lifestyle choice are valued.

The policy does not include measurable objectives for achieving gender diversity as the Group has always had a policy of actively encouraging gender diversity at all levels in the organisation, and a culture that supports workplace diversity.

Given that all of the assets of the Group have now been sold, there no longer any employees, rendering the gender diversity statistics for the categories below largely irrelevant:

- The proportion of female directors: 33%
- The proportion of female employees in the whole organisation: 0%
- The proportion of female employees in senior positions: 0%

The Board has not established measurable objectives for achieving gender diversity at this point in time, given the sale of all Group assets and a decision yet to be made on the future of the corporate structure.

(i) Board and Director Performance

The Board did not conduct a formal performance review during the year ended 30 June 2018 given the status of the operations of the Group and also that there were only three directors for the duration of the year.

The CEO and executives were employed via contracts of employment up until their departure.

(j) Performance of Senior Executives

The evaluation for executives was based on specific criteria, including the business performance of the Group, whether strategic objectives are being achieved, and the development of management and personnel.

The CEO's performance was formally assessed on an annual basis by the Board. The CEO resigned in the 2016-17 financial year following the completion of the sell down of the Group's assets.

An annual assessment of the performance of all other senior executives was undertaken by the CEO in conjunction with the Board.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Annual Report under the heading "Remuneration Report".

Principle 2: Structure the board to add value

(a) Board Size and Composition

The Constitution of the Group provides that there will be a minimum of three directors and not more than ten directors.

At the date of this report, the Board comprises three directors, one of whom is independent. There is one Executive Director and two Non-executive Directors.

One of the Non-executive Directors is an independent non-executive director.

The Boards of LHGL and LRE have the same directors.

The current members of the Board are:

- Mr Graeme Campbell (Executive Chairman), (appointed 24 June 2015)
- Ms Shirley Liew (Non-executive Director), (appointed 18 June 2015)
- Mr Matthew Stubbs (Non-executive Director), (appointed 7 March 2016)

Directors' details are listed in the Annual Report in the Directors' Report, including details of their other listed entity directorships and experience. A summary of the skills of each director is shown below.

(b) Board Skills, Matrix and Diversity

The skills and diversity of the current Board are outlined below.

Mr Graeme Campbell

Mr Graeme Campbell has over 30 years experience in corporate recovery and insolvency services and is a former director of Ferrier Hodgson Accountants specialising in the hotel and registered club industries. In 2006 Mr Campbell left Ferrier Hodgson to set up Campbell Advisory, which provides wide ranging hospitality advice to participants within the hotel and club industries together with major banks and other funders. He is currently the chairman and non-executive director of Ainsworth Game Technology Ltd, an independent director of Liquor Marketing Group (Bottlemart), a director of Harness Racing Club and the independent audit chairman of the Illawarra Catholic Club Group.

Ms Shirley Liew

Ms Liew is an experienced non-executive director with a strong finance and hospitality background. Ms Liew has over 25 years in the finance sector, including as a partner with both Moore Stephens and Grant Thornton, during which time she was audit partner on various large hospitality groups.

Ms Liew currently holds a number of non-executive director positions and audit committee chair roles.

Mr Matthew Stubbs

Mr Stubbs has over 17 years experience in investment banking and has worked on a broad range of mergers and acquisitions, transactions and restructurings. Mr Stubbs is Managing Director and Principal of independent financial advisory firm, Allier Capital. Immediately prior to establishing Allier Capital, he was head of Citicorp's healthcare investment banking practice in Australia.

Due to the status of the Group, a Board skills matrix has not yet been developed.

(c) Director Nomination Matters

The Group previously had a Remuneration and Nomination Committee, however the current Board disbanded this committee in July 2015 due to there only being three directors on the Board. The responsibilities ordinarily undertaken by a Nominations Committee are now included in the Board Charter as a responsibility of the whole Board.

These responsibilities include the Board reviewing the size and composition of the Board, including assessment of necessary and desirable competencies, skills, experience and expertise of Board members and assessing the extent to which the required skills and experience are represented on the Board, at the appropriate time.

The Board is also responsible for reviewing its membership, including recommendations for the appointment and re-election of directors and where necessary, proposing candidates for consideration. The Board will have regard to factors such as; the Board should comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds in accordance with the Diversity Policy.

(d) Director Remuneration and Induction

Non-executive director remuneration is generally reviewed on an annual basis or as required.

A director induction program has been designed and directors are expected to participate in this induction and orientation program on appointment.

(e) Directors' Independence

The Board has considered specific principles in relation to director independence. The Board considers an independent director to be a non-executive director who is not a member of the Group's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis, having regard to both quantitative and qualitative principles.

On an annual basis, the Board assesses the independence of all directors against the criteria outlined in Box 2.3 of the third edition of the ASX Recommendations.

Ms Shirley Liew is considered by the Board to be independent.

Mr Graeme Campbell, given his current executive position with the Group, is considered non-independent based on the ASX criteria. Up until the resignation of the CEO on 26 May 2017, Mr Campbell was considered independent.

Mr Stubbs is also considered non-independent, as he is a substantial shareholder of the Group.

Based on this assessment, the Board does not currently have a majority of independent directors. Given the composition of the Board and its current role this is unavoidable and not considered an issue as all directors bring an independent mind to bear to all matters discussed.

(f) Directors' Interests

Directors are required to keep the Board advised of any interest that could be in conflict with those of the Group, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

The Group has also entered into a deed of disclosure with each director, which is designed to facilitate the Group's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests and securityholdings. Directors and their nominated related party securityholdings are also monitored to identify changes that may require urgent disclosure.

The board regularly reviews the Director's Securityholding Register and the Director's Conflicts of Interests Register.

(g) Chairman

Up until 26 May 2017 the same person did not occupy the role of Chairman of the Board and CEO. The Group no longer has a CEO in place and Mr Graeme Campbell acts as Executive Chairman.

Mr Graeme Campbell was appointed Chairman of the Group on 30 June 2016 and was considered an independent director in accordance with recommendation 2.5 of the ASX Recommendations, up until he was appointed executive Chairman on the resignation of the CEO in May 2017.

(h) Independent Advice

The Board has a policy of enabling directors to seek independent professional advice for Group related matters at the Group's expense, subject to the prior notification of the Chairman and where the estimated costs are considered to be reasonable.

Principle 3: Act Ethically and Responsibly

(a) Code Of Conduct And Ethical Behaviour

The Board acknowledges the need for high standards of corporate governance practice and ethical conduct by all directors and employees of the Group.

The Board has endorsed a Code of Conduct which outlines 'acceptable behaviour' and attitudes expected from all staff to promote and maintain the confidence and trust of all those dealing with the Group.

The Group's Code of Conduct can be viewed on the Group's website.

Various measures had previously been established to ensure that a high standard of ethical business behaviour was observed by all staff members, including policies and procedures for:

- managing conflicts of interests;
- personal security trading;
- related party transactions; and
- handling confidential information.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Group in relation to confidential information they possess.

(b) Employee And Director Trading In Lantern Securities

The Group has a Securities Trading Policy that governs the ability of directors, employees and contractors to trade in the Group's securities. Subject to necessary prior written consents being obtained, the Group's directors, executives and employees may trade in the Group's securities at any time outside closed periods which cover the following:

- from 31 December until the business day after the release of half yearly results;
- from 30 June until the business day after the release of annual results;
- from 28 days before, to the close of trading on the business day after, Lantern's annual general meeting or
- for any other time period determined by the Board.

Directors, employees and contractors may, in exceptional circumstances as defined in the policy, trade during a closed period but only with the prior written consent of the Chairman for directors, another non-executive director for the Chairman and the Company Secretary for employees and contractors. Notwithstanding the closed periods and approval requirements, a person is prohibited from trading at any time if they possess material, price-sensitive information about the Group that is not generally available to the public.

The policy also prohibits Restricted Persons (defined in the policy) from engaging in short term trading, margin lending, short selling and hedging of the Group's securities.

The Group's Securities Trading Policy can be viewed on the Group's website.

Principle 4: Safeguard integrity in corporate reporting

The Group previously had an Audit and Risk Committee, however the current Board disbanded this committee due to there only being three directors on the Board. The responsibilities ordinarily undertaken by an Audit and Risk Committee are now the responsibility of the Board.

The Board is responsible for discharging its responsibilities to safeguard the integrity of the Group's financial reporting and the system of internal control.

The Audit and Risk Committee Charter (available on the Group website) takes into account the roles and responsibilities of an Audit and Risk Committee as well as contemporary governance practices. The Audit and Risk Committee Charter includes details on the appointment and oversight of the external auditor. The Company will ensure the external auditor is available to securityholders at the Annual General Meeting to answer any questions about the Company's external audit.

In accordance with the Company's legal obligations and Recommendation 4.2 of the ASX Recommendations, the Executive Chairman and Chief Financial Officer have made certifications to the Board in relation to the Financial Statements for each financial period in 2018, confirming:

- The financial statements and associated notes comply in all material respects with the Accounting Standards as required by Section 296 of the Corporations Act, Corporations Regulations, International Reporting Standards and other mandatory professional reporting requirements;
- The financial statements and associated notes give a true and fair view, in all material respects, of the financial position as at 30 June 2018 and performance of the Group for the period ended as required by Section 297 of the Corporations Act;
- The financial records of the company have been properly maintained in accordance with Section 286 of the Corporations Act;
- The integrity of the financial statements are founded on a sound system of risk management and internal compliance and control which, in all material respects, implements the policies adopted by the Board of directors;
- The risk management and internal compliance and control systems of the Group relating to financial reporting objectives are operating effectively, in all material respects; and
- Subsequent to the end of the financial period, no changes or other matters have arisen that would have a material effect on the operation of risk management and internal compliance and control systems of the Group.

Principle 5: Make timely and balance disclosure

The Group is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its securityholders are kept well-informed of all major developments affecting the Group's state of affairs, in order to promote transparency and investor confidence.

The Group has a Continuous Disclosure Policy and it incorporates the continuous disclosure framework as set out in the ASX Listing Rules Chapter 3, as well as ASX Listing Rules Guidance Note 8. This policy is available on the Group's website.

The Continuous Disclosure Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically, the policy:

- Explains the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act;
- Establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the Board;
- Establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- Establishes internal processes for briefing of analysts, investor and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market; and
- Outlines authorisation procedures for ASX announcements.

Principle 6: Respect the rights of securityholders

The Board aims to ensure that its securityholders are kept well-informed of all major developments and business events that are likely to materially affect the Group's operations and financial standing and the market price of its securities. Information is communicated to securityholders through:

- The Group's website under the *Investors*, *About Us* and *Contact Us* tabs;
- Annual and half year financial reports lodged with the ASX and made available to all securityholders;
- Announcement of market-sensitive and other information, including annual and half year results announcements and analyst presentations released to the ASX; and
- The Chairman and CEO addresses to, and the results of, the annual general meeting.

The Group's website contains information for investors and is all contained in the *Investors*, *About Us* and *Contact Us* tabs.

- I. The following information for investors is located under the *Investors* tab:
 - Corporate Governance information – including Charters and Policies; and
 - Annual Reports;
- II. The following information for investors is located under the *About Us* tab:
 - General Information about the Group and its activities;
- III. The following information for investors is located under the *Contact Us* tab:

- Contact information for investors.

The Group has a Continuous Disclosure Policy that includes a formal procedure for dealing with potentially price-sensitive information. The policy sets out how the Group meets its disclosure obligations under ASX Listing Rule 3.1. The Group's policy is to lodge with the ASX and place on its website all market-sensitive information, including annual and half year result announcements and analyst presentations, as soon as practically possible.

The Group produces two sets of financial information each financial year: the half year financial report for the six months ended 31 December and the annual financial report for the year ended 30 June. Both are made available to securityholders and other interested parties via the Group website and the ASX.

Securityholders have the right, and are encouraged, to attend the Group's annual general meeting, held in November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting is also posted on the Group website and lodged with the ASX.

In addition, a document is enclosed with the notice of meeting to invite securityholders to submit questions of the Board, auditors or management, which are addressed at the meeting.

Securityholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all securityholders are eligible to vote on all resolutions. Securityholders who cannot attend the annual general meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

Transcripts of any presentations to securityholders are also released to the ASX upon the commencement of the annual general meeting. These transcripts, together with the results of the meeting, are also posted on the Group's website and the ASX.

Lantern does not currently have a formal investor relations program and the Board does not see the need for such a program given the status of the Company's operations. It will address the need for a plan when it considers the company is at sufficient stage for it to be advantageous to have one. In any case, Director's engage with securityholders as and when required.

Securityholders are provided with the option to receive communications from, and send communications to, the Group and the security registry electronically. The Group has a dedicated investor email on its website under the *Contact Us* tab.

Principle 7: Recognise and manage risk

The Board is responsible for ensuring that sound risk management strategy and policies are in place. The Board is responsible for identifying and overseeing major risks and ensuring that systems are in place to manage them.

In addition, the Board in lieu of an Audit and Risk Committee:

- Identifies and assesses the Group's material business risks;
- Regularly reviews and updates the Group's risk profile; and
- Oversees the risk management policies and systems.

The Group's risk management framework was integrated with the day-to-day business processes and functional responsibilities and is supported by a dedicated compliance officer. As the assets of the Group have been sold down, there has not been a review of this framework during FY18.

The compliance officer, who remains in place, has been appointed under the rules of the compliance plan of LRET. The compliance officer is responsible for ensuring adequate internal systems and controls have been implemented to ensure compliance with the Corporations Act, LHGL and LRET's Constitutions, the Responsible Entity's AFSL, and internal and industry standards. These duties include promoting a strong compliance culture within the organisation and to external service providers.

The compliance officer is primarily responsible for reviewing compliance on an ongoing basis; reporting on compliance matters, including breaches, to the Board. Matters are escalated to the Board or ASIC when necessary.

The compliance officer has direct access to the Board to ensure the compliance officer is well placed to adequately deal with compliance issues. Management, via the compliance officer, is required to assess risk management and associated internal compliance and control procedures, and is required to report back quarterly to the Board as to whether those risks are being managed effectively. A quarterly risk and compliance report is prepared by the compliance officer for review and consideration by the Board.

(a) Compliance Plans

LRET has a formal compliance plan that has been adopted by the Board and lodged with ASIC. The purpose of each compliance plan is to set out key processes, systems and measures the Responsible Entity will apply to ensure compliance with:

- The Corporations Act;
- The Constitution of LRET;
- Industry practice standards relevant to the particular scheme; and
- Internal policies and procedures.

Each compliance plan is a 'how to' document and has been prepared following a structured and systematic process to consider the Responsible Entity's key obligations under the Corporations Act and the Constitutions; the risk of non-compliance; and measures required to meet the risks of non-compliance.

The compliance plan describes the key obligations that must be met by the Responsible Entity, and how compliance with these measures will be monitored. In addition, the compliance plans detail the risk of not complying with these obligations and how breaches are to be reported and addressed.

(b) Internal Audit

The Group does not have an internal audit function but does have a compliance officer whose responsibilities are outlined above. In addition, the structure of the Group requires the following additional external audits:

I. Compliance plan audit

The external auditors conduct annual audits on the compliance plan and report on:

- Whether the Responsible Entity has complied with the compliance plan of the Trust for the financial year end; and
- Whether the compliance plans continue to meet the requirements of Part 5C.4 of the Corporations Act as at 30 June each year.

II. Australian Financial Services Licence audit

The AFSL audit is conducted annually by the external auditor. The auditor reports on the following:

- Whether the Responsible Entity has complied with the specified provisions of Part 7.8 of the Corporations Act;
- Whether the Responsible Entity has complied with sections 981B and 982B of the Corporations Act (relating to the control and operation of trust accounts);
- Whether the Responsible Entity has complied with specific AFSL conditions relating to financial requirements, including internal procedures used by the Licensee to comply with the financial requirements under the licence; and
- Whether the cash projections meet the cash need requirement conditions of the AFSL.

III. ASIC

ASIC may undertake a review of the Responsible Entity's risk and compliance processes and systems at any time.

(c) Economic, Environmental And Social Sustainability Risks

In accordance with Recommendation 7.4, the Audit and Risk Committee has considered whether the Group has any material exposure to economic, environmental and social sustainability risks and determined that there is no material exposure to these risks.

Principle 8: Remunerate fairly and responsibly

The Group previously had a Remuneration and Nomination Committee, however this was disbanded in July 2015. Given the current composition of the Board of only three directors, a separate committee to consider remuneration matters is not required.

The Group distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives.

For details of the Group's remuneration structure, please refer to the Remuneration Report in the Annual Report.

This Corporate Governance Statement was approved by a resolution of the board on 27 August 2018.