



Corporate governance statement

OVERVIEW

Corporate Governance is an important matter to Domino's Pizza Enterprises Limited ("DPE", "Group" or the "Company") and the Board of Directors (the "Board").

The Board and management strongly support the principles of good corporate governance, and believe that strong corporate governance practices provide the foundations for effective decision-making and accountability, which lead to long-term sustainability.

The Board endorses the 3rd edition of the Australian Securities Exchange ("ASX") Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles").

In developing the appropriate corporate governance practices, the Group takes into account all applicable legislation and recognised standards, which include but are not limited to the *Corporations Act 2001* (Cth) ("Corporations Act"), the ASX listing rules and ASX Principles.

Set out below is a table describing the various ASX Principles and statements as to the Company's compliance or otherwise with them. Terms used in the table have the meanings given to them in the ASX Principles unless otherwise defined

Principle No.	Best practice recommendation	Compliance	Reason for non-compliance
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: - the respective roles and responsibilities of its board and management; and - those matters expressly reserved to the board and those delegated to management.	Yes. Refer to page 5.	Not applicable
1.2	A listed entity should: - undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and - provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes. Refer to page 6.	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.	Yes. Refer to page 5.	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.	Yes. Refer to page 5.	Not applicable
1.5	A listed entity should: - 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; - disclose that policy or a summary of it; and - 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: ▪ 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 ▪ 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.	Yes. Refer to pages 11 to 12.	Not applicable
1.6	A listed entity should: - have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and - disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes. Refer to page 11.	Not applicable
1.7	A listed entity should:		

Principle No.	Best practice recommendation	Compliance	Reason for non-compliance
	- have and disclose a process for periodically evaluating the performance of its senior executives; and - disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes. Refer to page 11.	Not applicable
Principle 2 – Structure the Board to add value			
2.1	The board of a listed entity should: - have a nomination committee which: ▪ has at least three members, a majority of whom are independent directors; and ▪ is chaired by an independent director, and disclose: ▪ the charter of the committee; ▪ the members of the committee; and ▪ 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 - 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 Company is currently in compliance with this recommendation. Refer to pages 8-9 and to page 69 of the Annual Report.	Not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes. Refer to page 6.	Not applicable
2.3	A listed entity should disclose: - the names of the directors considered by the board to be independent directors; - if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Principles, however 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 - the length of service of each director.	Yes. Refer to page 7 and page 66 of the Annual Report.	Not applicable
2.4	A majority of the board of a listed entity should be independent directors.	Yes. Refer to page 7.	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.	Mr Cowin, a non-independent director chairs the board. Refer to page 7.	The benefits of Mr Cowin's extensive food retailing and corporate governance experience outweigh the disadvantages of any lack of independence –Refer to page 7
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.	Yes. Refer to pages 7-8.	Not applicable
Principle 3 – Promote ethical and responsible decision-making			
3.1	A listed entity should: - have a code of conduct for its directors, senior executives and employees; and - disclose that code or a summary of it.	Yes. Refer to page 11.	Not applicable

Principle No.	Best practice recommendation	Compliance	Reason for non-compliance
Principle 4 – Safeguard integrity in financial reporting			
4.1	The board of a listed entity should: - have an audit committee which: ▪ has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ▪ is chaired by an independent director, who is not the chair of the board, and disclose: ▪ the charter of the committee; ▪ the relevant qualifications and experience of the members of the committee; and ▪ 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 - 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.	No. Refer to pages 9-10 and page 69 of the Annual Report.	The audit committee comprised two non-executive directors for part of the year following retirement of Mr Paul Cave as a director on 7 November 2018. Ms Schreiber was appointed to the committee on 31 July 2019.
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.	Yes. The Board has received the declaration.	Not applicable
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.	Yes. Refer to page 14.	Not applicable
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should: - have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and - disclose that policy or a summary of it.	Yes. Refer to pages 13-14.	Not applicable
Principle 6 – Respect the rights of shareholders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes. Refer to page 14.	Not applicable
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes. Refer to page 14.	Not applicable
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.	Yes. Refer to page 14.	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.	Yes. Refer to page 14.	Not applicable
Principle 7 – Recognise and manage risk			
7.1	The board of a listed entity should: - have a committee or committees to oversee risk, each of which: ▪ has at least three members, a majority of whom are independent directors; and ▪ is chaired by an independent director, and disclose: ▪ the charter of the committee; ▪ the members of the committee; and ▪ as at the end of each reporting period, the number of times the committee met throughout the period and the	The audit committee performs this function. Refer to pages 9-10 and page 69 of the Annual Report.	Not applicable

Principle No.	Best practice recommendation	Compliance	Reason for non-compliance
	individual attendances of the members at those meetings; or		
7.2	- if it does not have a risk committee or committees that satisfy above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. The board or a committee of the board should: - review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and - disclose, in relation to each reporting period, whether such a review has taken place.	Yes. Refer to pages 9-10 and 14-16.	Not applicable
7.3	A listed entity should disclose: - if it has an internal audit function, how the function is structured and what role it performs; or - 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.	Yes. Refer to page 10.	Not applicable
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.	Yes. Refer to pages 14-16.	Not applicable
Principle 8 – Remunerate fairly and responsibly			
8.1	The board of a listed entity should: - have a remuneration committee which: ▪ has at least three members, a majority of whom are independent directors; and ▪ is chaired by an independent director, and disclose: ▪ the charter of the committee; ▪ the members of the committee; and ▪ 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 - 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.	Yes. Refer to pages 8-9 and page 69 of the Annual Report.	Not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes. Refer to pages 71 to 86 of the Annual Report.	Not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: - 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 - disclose that policy or a summary of it.	Yes. Refer to pages 71 to 86 of the Annual Report	Not applicable

The Board has adopted a Corporate Governance Charter, a Code of Conduct for all staff and a comprehensive set of Board policies regarding Independence and Conflicts of Interest, Risk Management, Board Performance Evaluation, Group Chief Executive Officer Performance Evaluation, Continuous Disclosure, Diversity, External Communications and Securities Trading, Investor Relations, a Nomination and Remuneration Charter and an Audit Committee Charter, and Whistleblowing, to assist in the discharge of its Corporate Governance responsibilities. See Company's website under the investor section.

The Board has in place Corporate Governance practices that it considers to be the most appropriate for DPE. The Board also recognises that Corporate Governance is not a static matter, and needs reviewing regularly as DPE evolves. This statement describes the main Corporate Governance practices in place during the year.

ROLES OF THE BOARD, MANAGEMENT AND COMPANY SECRETARY

Board

The Board is responsible for guiding and monitoring DPE on behalf of shareholders. While at all times the Board retains full responsibility, in discharging its stewardship it makes use of committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board. The Board seeks to identify the expectations of shareholders, as well as other regulatory obligations. In addition, the Board is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board is responsible, and primarily accountable to the shareholders, for the effective Corporate Governance of the Company. The Board is responsible for directing management to optimise the Company's performance and increase shareholder wealth by:

- providing leadership and strategic direction;
- overseeing management's implementation of the Company's strategic objectives;
- approving the annual operating budget;
- appointing the chair and a deputy chair (or a senior independent director);
- appointing and appraising, and where necessary, replacing the Managing Director/Group Chief Executive Officer and other senior executives;
- ensuring that there are adequate plans and procedures for succession planning;
- ensuring a clear relationship between performance and executive directors' and executives' compensation;
- ensuring that the performance of senior executives (including executive directors) is monitored and evaluated;
- approving and monitoring major capital expenditure programs;
- monitoring the operating and financial performance of the Company;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- overseeing the Company and developing key Company policies, including its control and accountability systems;
- ensuring compliance with laws, regulations, appropriate accounting standards and corporate policies (including the Code of Conduct);
- ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- ensuring that the market and shareholders are fully informed of all material developments concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- recognising the legitimate interests of stakeholders.

To assist the Board with carrying out its responsibility and functions, certain powers have been delegated to management, including the authority to undertake transactions and incur expenditure on behalf of the Group up to specified thresholds.

Management

Management is specifically responsible for:

- implementing the strategic objectives and operating within the risk appetite set by the Board and for all other aspects of the day to day running of the Company; and
- Providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

Company Secretary

The Company Secretary is responsible for:

- advising the Board and its committee members on governance matters;
- monitoring that board and committee policies and procedures are followed;
- co-ordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.

The Company Secretary is accountable directly to the Board, through the Chair. Each director is able to communicate directly with the Company Secretary and vice versa.

Letters of appointment

Non-executive directors receive formal letters of appointment setting out the key terms, conditions, the term of appointment, time commitment, special duties, remuneration, superannuation entitlement, the requirement to disclose the directors' interests and matters affecting independence, requirement to comply with key corporate policies, the Company's policy on when directors may seek independent professional advice, circumstances in which the director's office becomes vacant, indemnity and insurance arrangements, ongoing right of access to corporate information, ongoing confidentiality obligations and expectations of their appointment.

Executive directors and senior executives are engaged under written employment agreements setting out the terms as outlined above and their roles and responsibilities, the person or body to whom they report, the circumstances in which their service may be terminated and termination entitlements (if applicable).

Board and Committee Meetings

The Board held 6 formal meetings during the year. Attendance at the 2019 Board and Committee meetings is detailed on page 69 of the Annual Report.

BOARD SKILLS MATRIX

The Board's Nomination and Remuneration Committee undertakes a regular assessment of Board composition using a skills matrix to assess the skills and experience of each director and the combined capabilities of the Board. The results of the assessment are considered in the context of the Group's operations and strategy and enables the identification of particular competencies and perspectives that will best increase the Board's effectiveness. The skills matrix is an important, but not the only, basis of criteria applying to director appointments.

The Board skills matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve in its membership. The areas addressed in the Board skills matrix are:

- **(Industry specific experience)** retail and food sectors and international business
- **(Strategic leadership)** experience in the development and oversight of corporate and business strategy and business growth and development, both organically and by acquisition
- **(Risk management)** oversight of risk frameworks to identify and manage risks
- **(Market and customer knowledge)** product development, sales and marketing
- **(Business leadership and development)** successful career at senior executive level in a large and complex organisation
- **(Financial acumen)** accounting, internal and external reporting, audit, capital markets and corporate finance
- **(Legal and compliance)** oversight of legal obligations
- **(Technology and digital)** experience in IT infrastructure and the ability to adapt to digital change and innovation
- **(Corporate governance)** commitment to strong corporate governance
- **(Human resources and executive remuneration)** oversight of remuneration policy and framework

The Board considers that its current members collectively have an appropriate mix of skills that enable it to discharge its responsibilities and deliver the Company's strategy and corporate objectives. In particular, the Board considers that each director has sufficient time available to undertake their responsibilities and they each demonstrate that they understand and commit to high standards of governance and have an ability and preparedness to question and challenge constructively and deal with complex issues.

The Board will continue to assess whether its collective levels of skills and experience remain appropriate having regard to the Company's circumstances and strategic direction. To the extent that any relevant skills are not directly represented on the Board, they are able to be augmented through management and external advisers.

CRITERIA FOR BOARD MEMBERSHIP

The Board actively seeks to ensure it has an appropriate mix of diversity, skills, experience and expertise to enable it to discharge its responsibilities effectively.

For directors appointed by the Board, the Board will consider the range of skills and experience required in light of:

- the strategic direction and progress of the Company;
- the current composition of the Board (taking into account any 'gaps' identified during an assessment of the Board skills matrix); and
- the need for independence.

The appointment of directors follows a process during which the full Board assesses the necessary and desirable competencies of potential candidates and considers a number of candidates before deciding on the most suitable candidate for appointment.

Appropriate recruitment processes, enquiries and reference checks are carried out to satisfy the Board that the candidate is of sound character and has the relevant attributes required by the Board to be a director of the Company.

Confirmation is sought from prospective directors that they would have sufficient time to fulfil their duties as a director.

At the time of appointment of a new non-executive director, the key terms and conditions of their appointment, the Board's responsibilities and the Company's expectations of the director are set out in a letter of appointment.

When candidates are submitted to shareholders for election or re-election, the Company includes in the notice of meeting all information in its possession that is material to the decision whether to elect or re-elect the candidate.

STRUCTURE OF THE BOARD

At the date of this report the Board comprises six directors and includes:

- one non-executive director (Chairman);
- one executive director (Managing Director); and
- four independent non-executive directors.

The qualifications, skills, experience and dates of appointment of each Board member are detailed on the Corporate Directory page 179 of the Annual Report. The compensation paid to DPE's directors for the year ended 30 June 2019 is set out in the Annual Report on page 77.

Independence of Directors

All directors, whether independent or not, are required to act in the best interests of the Group and to exercise unfettered and independent judgment.

The Group considers that an independent director is a non-executive director who is free of any business or other relationship that could materially interfere or be perceived to materially interfere with the exercise of his or her judgment and ability to act in the Group's best interests.

When assessing the independence of a director, the Board considers the matters set out in Box 2.3 of the ASX Principles. Materiality is assessed on a case-by-case basis from the perspective of both the Company and the director, and consideration is given to both qualitative and quantitative factors.

At each Board meeting the Board requires each independent director to disclose any new information which could, or could reasonably be perceived to, impair the director's independence. To further assist in ensuring that the Board operates independently of management, non-executive directors meet as required in the absence of management.

The Board is cognisant of the need to monitor the effect of length of tenure on a director's actual or perceived independence. However, the Board does not believe that it should establish an arbitrary limit on tenure.

In assessing the independence of Mr Ross Adler Mr Grant Bourke, Ms Lynda O'Grady and Ms Ursula Schreiber, the Board (without any of those directors present) considered whether their tenure had impacted on their independence. It was determined that each of those directors remained able to bring an independent mind to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally. The valuable contribution of each director based on their expertise, judgement, industry knowledge and understanding of the Company's operations was also noted and considered a significant asset of the Board. Accordingly, each of Messrs Adler and Bourke and Ms O'Grady and Schreiber have been assessed as independent.

Mr Jack Cowin does not satisfy one of the criteria under the ASX Principles to be considered independent because of his relationship with the major shareholder, Somad Holdings Pty Ltd, which is the trustee of a trust for the benefit of Mr Cowin's adult children. Mr Cowin does not control the trust, however, the family relationship with the ultimate trust beneficiaries may be perceived as impacting on Mr Cowin's independence.

The Board (excluding Mr Cowin due to his personal interest) unanimously considers that the benefits of Mr Cowin's involvement as a director and Chairman, significantly outweighs non-compliance with this aspect of the ASX Principles. Mr Cowin has extensive food retailing and corporate governance experience and makes an invaluable contribution to the Company.

The Board has appointed independent director, Mr Ross Adler, as the Deputy Chairman, who can fulfil the role of chairman whenever Mr Cowin is conflicted.

The Group considers that its Board comprises a majority of independent non-executive directors who have extensive commercial experience and bring independence, accountability and judgement to the Board's deliberations to ensure maximum benefit to shareholders and employees.

Conflicts of interest

Directors must take all reasonable steps to avoid any actual, potential or perceived conflicts of interests. This is a matter for ongoing and active consideration by all directors, and any director who has a material personal interest in a matter relating to the Group's affairs must notify the other directors of that interest. Except as permitted by the Corporations Act, directors with a material personal interest in a matter being considered by the Board may not be present when that matter is being considered and may not vote on the matter.

Director induction and continuing education

Directors are expected to maintain knowledge and skills required to discharge their duties and obligations.

All new directors participate in an induction process co-ordinated by the Company Secretary, which assists in providing a smooth transition for new Board members. The induction process for non-executive directors includes briefing on strategy, financial, operational and risk management matters, the Group's governance framework, its culture and values and key developments in the Group and the sectors and environments in which it operates.

All directors are provided with all relevant corporate governance materials and policies and are given access to the Group's external and internal auditors. Management also provides briefing sessions on operational matters and updates on legal, corporate and financial and tax developments. The Group also provides other professional development opportunities for directors to develop and maintain their skills and knowledge needed to perform their role as directors effectively.

Re-election of Directors

In accordance with DPE's Constitution, at each AGM of DPE, one third of the directors (excluding the Managing Director) must stand for re-election. If their number is not three or a multiple of three, then the number nearest but not exceeding one third must stand for re-election. The directors to retire in every year are those who have been longest in office since their last election and, as between directors appointed on the same day, must (unless otherwise agreed between themselves) be determined by lot. In addition, no director other than the Managing Director may hold office for more than three years without standing for re-election, and any director appointed by the Board since the last AGM must stand for re-election at the next AGM. All retiring directors are eligible for re-election.

The Board does not regard nominations for re-election as being automatic but rather as being based on the individual performance of directors and the needs of the Company. Before business to be conducted at the AGM is finalised, the Board discusses the performance of directors standing for re-election in the absence of those directors. Each director's suitability for re-election is considered on a case-by-case basis, having regard to individual performance.

BOARD'S ACCESS TO INFORMATION AND INDEPENDENT ADVICE

All Directors have complete and open access to management through the Chairman, Group CEO or the Company Secretary. In addition to regular presentations by management to the Board and Board Committee meetings, Directors may seek briefings from management on specific matters. Where appropriate, the Board also seeks additional information by consulting with external advisers.

Agendas for Board meetings include all matters operational, financial, strategic and compliance which are important to DPE. Whilst most agenda items have a degree of detail and background information included in the pre-meeting papers, a few items may be listed on the agenda as discussion points. Papers are distributed to Board members in a timely manner prior to each meeting of the Board.

To enable the Company's Board and its committees to fulfil their roles, it is considered appropriate that Directors may obtain independent experts' advice at DPE's expense, within specified limits, after first indicating to the Chairman the nature of the advice to be sought and the party from whom the advice is to be sought. The Chairman will ensure that the party from whom the advice is to be sought has no conflict with DPE in providing that advice.

BOARD COMMITTEES

The Board has established two committees to assist in the execution of its responsibilities. Together the committees play a significant role by focusing in more detail on specific areas of the Company's operations and governance framework, which assists in strengthening the Board's oversight of the Group.

The following committees were in place at the date of this report:

- Nomination and Remuneration Committee, and
- Audit Committee.

The Board has adopted a charter for each committee setting out its responsibilities and composition.

Each committee reports to the Board and makes recommendations to the full Board for its consideration as appropriate. Details of each of these committees are discussed below.

NOMINATION AND REMUNERATION COMMITTEE

The Board has established a Nomination and Remuneration Committee, which comprises each of the directors except the Managing Director. The majority of the Committee are independent directors.

Purpose of the Committee

The purpose of the committee is to review, evaluate and make recommendations to the Board in relation to the selection, appointment and remuneration practices of the Company.

Committee Charter

The Committee has a Charter to govern its operations – see <https://investors.dominos.com.au/corporate-governance>. The Charter is reviewed every two years, and, if appropriate, updated by the Board on recommendation from the Committee.

Composition

The Nomination and Remuneration Committee will consist of a minimum 3 non-executive directors. The majority of members should be independent directors.

Membership of the Committee

Committee members are appointed by the Board. The members of the Committee are Messrs Cowin, Adler, Bourke, Ms O'Grady and Ms Schreiber. The chair is held by Mr Bourke, an independent director. Details of the qualifications and experience of the members and their attendance at Committee meetings during the reporting period are detailed in the Directors' Report and Corporate Directory sections of the Annual Report.

Duties and Responsibilities of the Committee

The principal responsibilities of the Committee are:

In relation to nominations:

- Board succession planning generally;
- induction and continuing professional development;
- development and implementation of a process for evaluating the performance of the Board, its committee and directors;
- the process of recruiting a new director;
- the appointment and re-election of directors;
- succession planning of the Group CEO and other senior executives; and
- setting out the committee's role and powers.

In relation to remuneration, to review and make recommendations to the Board in relation to:

- the remuneration framework for directors, including the process by which any pool of director's fees approved by security holders is allocated to directors;
- the remuneration packages to be awarded to senior executive and other employees;
- equity-based remuneration plans for senior executive and other employees;
- superannuation arrangements for directors, senior executives and other employees; and
- whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.

Each member of the Committee has the right to seek advice from external consultants or specialists.

AUDIT COMMITTEE

The Board has established an Audit Committee under a charter which provides for it to comprise:

- at least three members;
- entirely non-executive independent directors of DPE; and
- has a Chairman, who is not Chairman of the Board of DPE.

Purpose of the Committee

The Audit Committee supports the Board by maintaining oversight of the Group's internal control systems, compliance with applicable laws and regulations, and application of accounting policies and procedures designed to maintain integrity in external financial disclosure and reporting. The Committee also acts as a risk committee.

An Audit Committee is required by the Company under ASX Listing Rule 12.7.

Committee Charter

The Committee has a Charter to govern its operations – see <https://investors.dominos.com.au/corporate-governance>. The Charter is reviewed every two years, and, if appropriate, updated by the Board on recommendation from the Audit Committee.

Membership of the Committee

Committee members are appointed by the Board. Under the Committee's Charter, members will have a range of diverse and yet complementary skills and will be financially literate. The members of the Committee during the reporting period were Messrs Adler, Cave and Bourke from 2 July 2018 until 7 November 2018 and, following the retirement of Mr Cave as a director, Messrs Adler and Bourke from 8 November 2018 to 30 June 2019. Ms Schreiber was appointed as the third member of the committee on 31 July 2019. The chair is Mr Adler, an independent director. Particulars of their qualifications and experience are set out in the Corporate Directory section of the Annual Report.

Membership of the Committee, details of their qualifications and experience and their attendance at Committee meetings during the reporting period are detailed in the Directors' Report on page [x] of the Annual Report.

Duties and Responsibilities of the Committee

The Committee advises the Board on all aspects of internal and external audit, the adequacy of accounting and risk management procedures, systems, control and financial reporting.

Specific responsibilities include:

- recommending to the Board the appointment, re-appointment and removal of external auditors;
- monitoring the independence of the external auditors;
- recommending and supervising the engagement of the external auditors and monitoring auditor performance;
- reviewing the effectiveness of management information and other systems of internal control;
- reviewing all areas of significant financial risk and arrangements in place to contain those to acceptable levels;
- reviewing significant transactions that are not a normal part of the Company's business;
- monitoring the internal controls and accounting compliance with the Corporations Act, ASX Listing Rules, reviewing external audit reports and ensuring prompt remedial action;
- reviewing the Company's full year ASX Appendix 4E, Annual Report and half-year Appendix 4D, prior to submission to the Board; and
- monitoring the effectiveness of the Group's risk and compliance internal controls and systems in accordance with the Risk Management Policy.

In carrying out these functions, the Committee maintains unobstructed lines of communication between the Committee, the internal auditors, the external auditors and DPE's management and has the power to seek advice from external consultants or specialists where the committee believes it is appropriate.

As part of its agenda, the Audit Committee meets with the external auditors at least twice during the year, with a portion of the meetings in the absence of all management.

Rotation of the External Audit Engagement Partners

The Corporations Act has introduced a five-year rotation requirement for audit partners. DPE's external auditor, Deloitte Touche Tohmatsu has an internal policy which is consistent with this requirement.

Independence of the External Auditors

The Committee will consider annually any non-audit services provided by the external auditors to determine whether the provision of those non-audit services is compatible with the independence of the external auditors. Policies are in place to restrict the type of non-audit services which can be provided by the external auditors.

Internal audit

Ernst & Young has been engaged to undertake, on a periodic basis, an independent and objective internal audit review function charged with evaluating, testing and reporting on the adequacy and effectiveness of DPE's internal control, risk management and governance systems and processes.

This internal audit function is independent of management and has full access to all Group entities, records and personnel. The internal auditors provide reports to the Audit Committee.

During this reporting period, key risks and issues addressed by the internal audit function included a review of compliance in relation to personal expenditure reimbursements.

Group Chief Executive Officer and Group Chief Financial Officer sign-off to the Board in respect of DPE's financial statements

The Board has received a joint declaration from the Group Chief Executive Officer ("Group CEO") and the Group Chief Financial Officer ("Group CFO") that:

- in their opinion the financial records of the Group have been properly maintained in accordance with the Corporations Act;
- in their opinion the financial statements and notes comply with the appropriate accounting standards and give a true and fair view of financial position and performance of the Group; and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The experience and qualifications of members of the Audit Committee are set out in Corporate Directory section of the Annual Report. Membership of and attendance at 2019 Committee meetings are detailed in the Directors' Report on page [x] of the Annual Report.

ACTING ETHICALLY AND RESPONSIBLY

Vision, mission and values

At DPE, our vision, mission and values are:

Vision	Leading the Internet of Food in every neighbourhood
Mission	Sell more pizza, have more fun!
Values	• Treat people as you'd like to be treated; • Produce the best for less; • Measure, manage and share what's important; • Think big and grow; • Incentivise what you want to change; • Set the bar high, train, never stop learning; • Promote from within; and • We are not ordinary, we are exceptional.

Code of conduct

ETHICAL VALUES

The Board has a Code of Conduct which sets the standards to which each director, executive and employee will adhere whilst conducting their duties. The Code requires directors, executives and employees, amongst other things, to:

- act honestly, in good faith and in the best interests of the Company as a whole;
- act with high standards of personal integrity;
- comply with the laws and regulations that apply to the Company and its operations;
- not knowingly participate in any illegal or unethical activity;
- not enter into any arrangements or participate in any activity that would conflict with the Company's best interests or that would be likely to negatively affect the Company's reputation;
- not take advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the Company or its customers; and
- not take advantage of their position or the opportunities arising therefrom for personal gain.

All directors and officers of the Company must, as far as possible, act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company, and where possible, to act in accordance with the interests of the shareholders, staff, clients and all other stakeholders in the Company.

BOARD AND BOARD COMMITTEE AND SENIOR EXECUTIVE PERFORMANCE EVALUATION

A formal review of Board, individual director and Committee performance is undertaken annually by the Chairman. The Deputy Chairman undertakes an annual performance evaluation of the Chairman. All reviews include open discussions by the Board of the results of the evaluations.

The performance of senior executives (except the Group CEO) is periodically evaluated and monitored by the Group CEO and measured against agreed key performance indicators. The performance of the Group CEO is periodically reviewed and monitored by the Chairman and measured against agreed key performance indicators.

Performance evaluations of the Board, each director, the Board Committees and senior executives (including the Group CEO) have occurred in the reporting period in accordance with the procedures described above. No governance changes arose from the evaluations.

DIVERSITY POLICY

Diversity is an important aspect of the Company's success. DPE has adopted a Diversity Policy which aims to ensure that:

- employment decisions are transparent, equitable and fair;
- a safe and supportive workplace is provided in which differences are valued and respected;
- recruitment decisions take account of the diversity of the community; and
- employees have the ability to contribute and access opportunities based on merit.

In accordance with its Diversity Policy, the Board has adopted measurable objectives for achieving gender diversity in Australia. Those measurable objectives, and the performance against those objectives for the 2019 financial year, are outlined in the following table:

Objective	Initiatives to facilitate achievement of the objective	Status of the objective ⁽ⁱ⁾
Maintain a fair and balanced level of participation by women in Corporate Services ⁽ⁱⁱ⁾ .	A diversity support program has been initiated by DPE.	Ongoing – as at 30 June 2019, 44% of the Corporate Services staff were women.
Maintain a balanced level of participation by women as in-store staff.	As part of the program equal employment treatment is to be given without regard to gender.	Ongoing – as at 30 June 2019, 55% of the in-store staff were women, 16% of delivery drivers were women.
Increase the level of participation by women in management at regional and store level.	Under the diversity support program, equal treatment is to be given in training and promotion.	Ongoing – as at 30 June 2019, the following proportions of women are in management: • State Managers – 33%; • Regional Managers – 38%; and • Store Managers – 15%.
Achieve a high parental leave return rate.	The Company has implemented a parental leave policy for full and part-time employees in Corporate Services.	Ongoing – For the year ending 30 June 2019, the Company achieved a 90% parental leave return rate.

(i) The statistics are in respect of Australia only.

(ii) Corporate Services means staff working at the Company's Australian head office.

The following table shows the proportional representation of men and women at various levels within the Company's Australian workforce in 2019:

Role	Women (%)
Non-executive directors	40%
Leadership team members	10%
Other	24%
Total in the whole organisation	26%

The Company understands that diversity is a larger dimension than just gender and includes matters of age, disability, ethnicity, marital or family status, religious or cultural background. The Company ensures that the recruitment and selection practices (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates.

Workplace Gender Equality

The *Workplace Gender Equality Act 2012* (the **WGE Act**) puts a focus on promoting and improving gender equality and outcomes for both women and men in the workplace. All non-public sector employers with 100 or more employees are required to report annually under the WGE Act.

The Company has submitted its 2019 report to the Workplace Gender Equality Agency. A copy of this report can be found in the Investors section of the Company's website <https://investors.dominos.com.au/s/Workplace-Gender-Equality-Compliance-Report.pdf>.

SECURITIES TRADING POLICY

The Company has adopted a securities trading policy that imposes certain restrictions on officers, employees and franchisees trading in the securities of the Company as required under ASX Listing Rule 12.9. The restrictions have been imposed to prevent inadvertent contraventions of the insider trading provisions of the Corporations Act.

The key aspects of the securities trading policy are:

- trading whilst in the possession of material price-sensitive information is prohibited;
- trading is permitted without approval in the three-week period after the release to the ASX of the half-yearly and annual results, the end of the AGM or at any time the Company has a prospectus open, but only if they have no inside information and the trading is not for short-term or speculative gain; and

- trading in other circumstances is only permitted if the person is personally satisfied that they are not in possession of inside information and they have obtained approval. Permission will be given for such trading only if the approving person is satisfied that the transaction would not be contrary to law, for speculative gain or to take advantage of inside information.

DPE's price-sensitive information is information which a reasonable person would expect to have a material effect on the price or value of DPE's securities.

The policy also covers secured lending arrangements. The Company's policy is that senior executives must not enter into secured lending arrangements involving the Company's securities or use their shares as collateral for secured lending arrangements without the prior written approval of the Chairman (or if the Chairman is unavailable, the Deputy Chairman).

CONTINUOUS DISCLOSURE AND EXTERNAL COMMUNICATIONS POLICY

DPE values open and transparent communication with all stakeholders, including shareholders. The Company understands the importance of providing relevant information as quickly and efficiently as possible to shareholders.

The Corporations Act and the ASX Listing Rules require the Company to promptly disclose to the market matters which could be expected to have a material effect on the price or value of its shares.

The Company has adopted a continuous disclosure and external communications policy so as to comply with its continuous disclosure obligations and to maintain the market integrity and efficiency of its shares – see https://investors.dominos.com.au/s/continuous_disclosure_amended_10815.pdf.

The policy aims to:

- assess new information and co-ordinate any disclosure or releases to the ASX, or any advice required in relation to that information, in a timely manner;
- provide an audit trail of the decisions regarding disclosure to substantiate compliance with the Company's continuous disclosure obligations; and
- ensure that employees, consultants, associated entities and advisers of the Company understand the obligations to bring material information to the attention of the Company Secretary.

Accountabilities and responsibilities

Every employee has an obligation and responsibility to comply with the Company's continuous disclosure obligations. If an employee becomes aware of information which they believe could be material, the employee must advise the Company Secretary or the CEO of that information.

All ASX and media releases are to be approved by the Board except for:

- urgent releases which must be approved by the Chairman or Group CEO and advised to all directors prior to release; and
- administrative releases such as disclosure of directors' interests and substantial holder notices.

For administrative convenience, DPE has nominated the Company Secretary as the person responsible for communications with the ASX. In addition, the Company Secretary has responsibility for overseeing and co-ordinating disclosure of information to the ASX and communicating with the Group CEO and Group CFO in relation to continuous disclosure matters. The Company Secretary and Group CFO are also responsible for overseeing and co-ordinating disclosure of information to the media and to analysts, brokers and shareholders and communicating with the Board in relation to continuous disclosure matters.

Disclosure principle

In order to ensure DPE meets its obligations of timely disclosure of such information, DPE adheres to the following practice:

Immediate notification to the ASX of information concerning DPE that a reasonable person would expect to have a material effect on the price or value of DPE's securities as prescribed under Listing Rule 3.1, except where such information is not required to be disclosed in accordance with the exception provisions of the ASX Listing Rules.

External communications

Under this Policy, only those DPE employees who have been authorised by the Chairman or Group CEO can speak on behalf of the Company to the media, analysts or investors. DPE will not disclose price-sensitive information to any investor or analyst before formally disclosing the information to the market.

Release of briefing materials/media releases

All draft DPE media releases and external presentations are reviewed by senior management to determine if they are subject to the continuous disclosure requirements. The purpose of that review is to ensure:

- the factual accuracy of any information;

- there is no material omission of information; and
- that the information will be disclosed in a timely manner.

As a result of that review, any written material containing price-sensitive information to be used in briefing media, institutional investors or analysts, must be lodged with the ASX prior to the brief commencing. As soon as practicable after confirmation of receipt by the ASX, the briefing material is posted to DPE's corporate website.

INVESTOR RELATIONS POLICY

The Board aims to ensure that DPE's shareholders are informed of all major developments affecting the Company's state of affairs. DPE has an investor relations policy – see https://investors.dominos.com.au/s/investor_relations_policy_10815.pdf . Information is communicated to shareholders through:

- **Annual reporting** - All shareholders have to elect to receive a copy of the full Annual Report, unless they have elected not to receive one, and a copy is available, on request. Current Corporations' legislation allows for the default option of receiving annual reports via the internet. Shareholders must be given notification of this change and be given the opportunity to elect to receive a hard copy of the Annual Report;
- **Company announcements** – DPE endeavours to post announcements on its corporate website the same day they are released to the ASX;
- **General meetings** – DPE encourages shareholders to attend and participate in DPE's AGM to canvass relevant issues of interest by scheduling the AGM at an appropriate time and CBD location. If shareholders are unable to attend the AGM personally, they are encouraged to participate through the appointment of a proxy or proxies. Notices of meeting are accompanied by explanatory notes to provide shareholders with information to enable them to decide whether or not to attend and how to vote upon the business of the meeting;
- **Annual General Meetings** – At the AGM, shareholders have a reasonable opportunity to ask the external auditor questions in relation to the conduct of the audit and the preparation and the content of the Auditor's Report;
- **Investor relations programme** – DPE investor relations program which is designed to facilitate effective two-way communication with investors. At any time, including ahead of the AGM, shareholders are able to contact DPE or its share registrar, Link Market Services Limited ("Link"), by mail, telephone, email or online via the Link Investor Centre portal. Shareholders may choose to receive communications from, and send communications to, DPE and Link electronically; and
- **Company website** - The corporate website is located at <http://investors.dominos.com.au> and contains:
 - the full financial statements of DPE;
 - all media releases made to the ASX by DPE. Each media release posted to the website clearly shows the date it was released to the market;
 - a Company profile;
 - contact details for DPE's head office; and
 - copies of corporate governance policies.

Attendance of the external auditor at the DPE AGM

It is both DPE's policy and the policy of the auditor for the lead audit engagement partner to be present at the AGM to answer questions about the conduct of the audit and the preparation and content of the Auditors' Report. These policies are consistent with the Corporations Act. Shareholders attending the AGM are made aware that they can ask questions of the auditor concerning the conduct of the audit.

RISK MANAGEMENT POLICY

The Board recognises risk management and internal compliance are key elements of strong corporate governance. The Audit Committee is responsible for monitoring the effectiveness of the Group's risk and compliance internal controls and systems. It regularly considers and monitors the Company's exposure to significant risks, and makes recommendations to the Board in respect of monitoring such findings, including strategic and operational improvements in risk management planning and implementation and insurance strategies.

The Board, through the Audit Committee, adopts a framework for risk management which recognises that the Company is engaged in activities, which necessarily demand that the Company take certain usual business, entrepreneurial and operational risks. Accordingly, and in the interests of the enhanced performance of the Company, the Board embraces a responsible approach to risk management, as a risk-aware Company, but not necessarily a risk-averse one. The risk management framework is reviewed on an annual basis by the Audit Committee to satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. A risk management review was completed during FY19.

Specifically in managing risk, the Company and the Board adopts a framework which adheres to the following principles:

- When considering new strategies or projects, management analyse the major risks of those opportunities being secured or being lost and considers appropriate strategies for minimising those risks where they are identified;
- The Company will, when thought prudent by the Group CEO or the Board, take appropriate external advice to determine the best way to manage a particular risk;
- Financial risk will be managed by the whole of the Board working closely with the Group CEO and the Group CFO to ensure that the financial statements and other financial reporting are rigorously tested prior to submission to audit;
- To complement risk management by the Company, appropriate insurances are put in place and advice taken from the Company's brokers or insurers where necessary to cover the usual extraordinary risks which arise in the circumstances of the Company; and
- The Company's approach to risk management, and the effectiveness of its implementation, is reported by exception to the Board at least annually and as such has been undertaken during this reporting period.

Through the use of its internal review function, the management of the Company has reported to the Board that the risk management policies adopted by the Company are the best to manage the material business risks of each part of the Company's business operations.

The Board has received formal assurance from the Group CEO and the Group CFO in the declaration provided in accordance with section 295A of the Corporations Act that the financial statements give a true and fair view of the financial position and performance of the Company.

Economic, environmental and social sustainability risks

DPE considers economic, environmental and social sustainability factors as part of its consideration of both strategic and operational risk. Each year, the Company undertakes an assessment to determine those risks and opportunities that are most important to its business and stakeholders.

Following its annual assessment, DPE has determined that it does not, at this time, have a material exposure to environmental or social sustainability risks. However, DPE continuously seeks opportunities to reduce the environmental impact of its operations on the planet.

For further information on these economic, environmental and social sustainability factors and the steps that DPE is taking in this regard please see the Corporate Social Responsibility section of the Annual Report - see <https://investors.dominos.com.au/annual-reports>.

Economic risks

Information in respect of DPE's assessment of the principal economic risks that could have a material impact on the Company, and the Company's mitigation strategies for those risks is set out below.

- **Competition** – DPE operates in a competitive market. DPE's financial performance or operating margin could be adversely affected if the actions of competitors or potential competitors become more effective, or if new competitors enter the market. DPE addresses this risk by closely monitoring the market in which it operates so that it is able to respond quickly to any competitor.
- **Consumer preferences and perceptions** – Food service businesses are affected by changes in consumer tastes national, regional and local economic conditions, and demographic trends. There could be a material adverse effect on DPE's business and operating results if consumer preferences changes. DPE addresses this risk through consumer data and research, innovative product development and updates to its menu offerings.
- **Franchise risk** – DPE's right to operate Domino's Pizza stores and grant franchises in Australia, New Zealand, Europe and Japan is conferred by separate Master Franchise Agreements (**MFAs**). These MFAs may be terminated in certain circumstances, such as breach by DPE, its insolvency and failure to achieve growth targets. If a MFA in respect of a territory is terminated, DPE will lose the right to operate Domino's Pizza stores in that territory and this will fundamentally impact on its business. DPE addresses this risk by maintaining a close working relationship with its Master Franchisor, and by actively monitoring compliance with obligations and operational standards.
- **Talent risk** – DPE is committed to providing an attractive employment environment, conditions and prospects to assist in retaining and attract key senior management personnel. However, there can be no assurance that DPE will be able to maintain or attract key personnel. DPE aims to mitigate this risk by creating an all-inclusive, fun, friendly and energetic culture.
- **Reputation and brand** – The success of DPE is heavily reliant on its reputation and branding. Unforeseen issues or events which place DPE's reputation at risk may impact on its future growth and profitability. DPE aims to mitigate this risk by fostering strong relationships with key stakeholders and to continue to build its reputation through ongoing positive contributions to the community.
- **Safety** – DPE employs people to run and operate stores that provide food products to the public, a health or safety incident in its operations or health incident of a supplier involving the input of products it uses, could impact on DPE's financial results. DPE aims to address this risk through robust internal food safety and sanitation practices and occupational health and safety practices, audit programs, customer complaints processes and supplier selection protocols.

- **Supply chain** – Disruption to DPE's supply chain caused by an interruption to the availability of key components and raw materials may adversely affect sales and/or customer relations, resulting in unexpected costs. DPE aims to mitigate this risk by implementing a multi-sourcing strategy for the supply of raw materials, conducting supplier due diligence and risk management and entering into contracts that provide for the regular and timely procurement of raw materials.
- **Franchisee risk** – There is a risk of DPE's franchisees not operating their franchise in accordance with the terms and conditions of their respective franchise agreements. The consequences of non-compliance may include damage to the brand, fines or other sanctions from regulators, and/or a reduction in franchise fees received from the franchises. DPE mitigates this risk by continually monitoring and evaluating the financial and operating performance of each franchisee to actively assess compliance with executed franchise agreements and conducting random audits.

ASX Corporate Governance Recommendations

At the date of this report the Company considers that the above Corporate Governance practices comply with the ASX Principles, except for the independence of the Chairman. The information required to be disclosed by those recommendations is found both in this Corporate Governance Statement and in the Directors' Report on pages 66 to 86 of the Annual Report and Corporate Directory on page 178 of the Annual Report.