



TREASURY  
WINE ESTATES



## CORPORATE GOVERNANCE STATEMENT 2018

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This corporate governance statement outlines the corporate governance framework that has been established by Treasury Wine Estates Limited ('the Company' or 'TWE') and its group of companies ('the consolidated entity' or 'the Group') and its compliance with that framework for the reporting period ended 30 June 2018.

Good corporate governance and transparency in reporting is a fundamental part of the culture and business practices of the Group. During the financial year the Company has complied with the third edition of the ASX Corporate Governance Principles and Recommendations (ASX Recommendations).

The charters and key policies that underpin the Company's corporate governance practices referred to in this statement are reviewed annually to ensure they remain appropriate, reflect a high standard of governance and meet regulatory requirements. All key governance documents are available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

This corporate governance statement was approved by the Board and is current as at 29 August 2018.

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## SECTION 1: THE BOARD OF DIRECTORS

### 1.1 Composition

The Board currently has eight directors, comprising seven non-executive directors and the Chief Executive Officer (CEO). Details of the members of the Board, including their qualifications, experience and tenure in office, are set out in the Board of Directors section contained in the Company's 2018 Annual Report, which is available on the Company's website at [www.tweglobal.com/investors/annual-reports](http://www.tweglobal.com/investors/annual-reports).

There were several changes to the Board during the year, including the appointment of Colleen Jay as a non-executive director with effect from 1 April 2018. Ms Jay is a United States resident with extensive experience in the fast-moving consumer goods industry, including significant global line operational leadership, strategy, global brand building, transformational innovation and mergers and acquisitions. Ms Jay's appointment was the culmination of an extensive global search conducted by an external search firm, which included appropriate background checks (including criminal, bankruptcy, education, qualifications and reference checks). In addition, Peter Hearl and Lyndsey Cattermole retired as non-executive directors on 31 August 2017 and 18 October 2017 respectively.






Since the end of the year, the Company has announced the retirement of Michael Cheek with effect from the end of the 2018 Annual General Meeting on 18 October 2018.

The Board is committed to ensuring it is comprised of individuals with appropriate skills, experience and diversity to develop and support the Company's strategic aims, having regard to its five strategic imperatives. The Board utilises a skills matrix to assist in assessing the mix of skills, experience and diversity on the Board, and to identify areas of focus to supplement the mix of skills and experience as part of Board succession planning.

The Board considers that its members collectively possess the appropriate competencies and attributes that enable the Board to discharge its responsibilities effectively, contribute to the Company's strategic direction and oversee the delivery of its corporate objectives.

Areas of competence and skills of the Board of directors are set out in Table 1.

Table 1 – Areas of competence and skills of the Board of Directors

Strategic Imperatives				
 <b>PEOPLE</b>	 <b>BRANDS</b>	 <b>MARKETS</b>	 <b>PARTNERS</b>	 <b>MODEL</b>
Build a high-performing organisation	Transform our portfolio	Win in priority markets	Develop long-term relationships	Optimise our capital base
Directors' Skills				
AREA	COMPETENCE/EXPERIENCE			
Industry	Wine, alcohol beverages, consumer and brand marketing, supply chain, distribution, route-to-market.			
Leadership and Strategy	Listed company experience, business strategy development, business and executive leadership, CEO experience, mergers and acquisitions.			
Finance and Business	Financial acumen, financial accounting, audit, corporate finance, capital management, e-commerce and technology.			
Governance and Regulatory	Corporate governance, legal, regulatory, health, safety and environment, government relations, risk management, human resources and remuneration.			
International	International business experience, international industry experience.			

The Board also recognises the importance of cultural, geographic and gender diversity amongst its members which is reflected in the current representation on the Board, with four non-executive directors based offshore in regions in which the Company operates. In 2017, the Board set an aspirational target to achieve 30% female representation on the Board by the 2018 Annual General Meeting as vacancies and circumstances allow. As at the date of this corporate governance statement, women represent 25% of the Board, and will represent 29% of the Board following the retirement of Mr Cheek at the end of the 2018 Annual General Meeting. The Board is committed to achieving the 30% target and therefore continues to be actively engaged in succession planning in order to achieve this target, with a focus on appointing candidates to the Board with the desired mix of skills, experience and diversity.

## **1.2 Chairman**

The Chairman of the Board, Paul Rayner, is an independent non-executive director and has been Chairman of the Company since 2012 and a non-executive director since 2011.

Details of Mr Rayner's skills and experience are set out in the Board of Directors section of the Annual Report.

The Chairman is responsible for the leadership of the Board and ensuring that it is operating to the appropriate governance standards.

The responsibilities of the Chairman of the Board are set out in more detail in the Board Charter which is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

## **1.3 Director independence**

As required under the Board Charter and ASX Recommendations, the Board comprises a majority of independent non-executive directors.

The Board only considers a non-executive director to be independent where he or she is free of any interest, position, association or relationship that might interfere, or might reasonably be perceived to interfere, in a material respect, with his or her capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board assesses the independence of all new directors upon appointment and reviews the matter annually (and more regularly where appropriate).

The Company has adopted guidelines based on the factors set out in the ASX Recommendations in assessing the independent status of a director. These guidelines, together with materiality thresholds set by the Board, are described in the Board Charter.

In summary, the test of whether a relationship could, or could be perceived to, materially interfere with the independent exercise of a director's judgement is based on the nature of the relationship and the circumstances of that director. Materiality is considered on a case-by-case basis, against thresholds determined by the Board from the perspective of the Company, the director, and the person or entity with which the director has a relationship.

The Board has reviewed the position and associations of all directors in office at the date of this corporate governance statement and considers that, save for the CEO who is an executive director, all directors are independent.

## **1.4 Appointment terms**

The directors may at any time appoint any person as a director either to fill a casual vacancy or as an additional director. Upon appointment, non-executive directors are provided with a letter of appointment that sets out the key terms and conditions of appointment, including duties, rights and responsibilities and the Board's expectations regarding involvement with Board Committee work.

Any director appointed (other than the CEO) holds office until the conclusion of the next Annual General Meeting (AGM) of the Company and is eligible for election at that meeting. Thereafter, non-executive directors are required to submit for re-election at least at every third AGM.

A summary of the Company's guidelines relating to the selection, appointment and re-election of directors is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

## **1.5 Director induction and ongoing education**

New directors are provided with a comprehensive induction program. The induction program includes meetings with members of the Executive Leadership Team (ELT) and other senior executives of the Company and being formally briefed on the financial, strategic and operational position of the Company, as well as visits to key sites.

The Board is committed to ensuring its performance is enhanced by providing non-executive directors with regular briefings on the Company's operations, as well as periodic site visits and presentations by external parties in a range of fields.

## **1.6 Remuneration arrangements**

The remuneration policy for the Board and the remuneration of each director is set out in the Remuneration Report, which forms part of the Directors' Report contained in the Annual Report.

## SECTION 2: ROLE AND RESPONSIBILITIES OF THE BOARD

### 2.1 Division of responsibility between Board and management

The Board is responsible for the overall corporate governance of the Company. The Board Charter sets out the following objectives of the Board:

- to provide strategic guidance for the Company and effective oversight of management;
- to optimise Company performance and shareholder value within a framework of appropriate risk assessment and management; and
- to recognise the Company's legal and other obligations to all legitimate stakeholders.

The following table summarises the main responsibilities and functions of the Board that enable the achievement of these objectives:

RESPONSIBILITIES AND DUTIES	OBJECTIVES		
	STRATEGIC GUIDANCE AND MANAGEMENT OVERSIGHT	RISK ASSESSMENT AND MANAGEMENT	OBLIGATIONS TO STAKEHOLDERS
<b>Approving</b>	<ul style="list-style-type: none"> <li>• The overall corporate strategy and performance objectives.</li> <li>• The Company's annual financial budget.</li> <li>• Major capital expenditure, capital management, and acquisitions and divestitures.</li> <li>• Appointment and removal of the CEO, the terms of employment and termination benefits.</li> <li>• Remuneration of the CEO, non-executive directors (within the parameters approved by shareholders) and the policy for remunerating senior executives.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company's Risk Management Policy, Risk Management Framework and Group Risk Profile.</li> </ul>	<ul style="list-style-type: none"> <li>• The Company's strategies, procedures and standards relating to communication with shareholders.</li> <li>• Interim and annual financial reports after receiving appropriate certifications from management.</li> <li>• All major shareholder communications.</li> </ul>
<b>Reviewing and Monitoring</b>	<ul style="list-style-type: none"> <li>• The Company's performance against the corporate strategy, objectives and plan.</li> <li>• The progress of major capital expenditure, capital management, and acquisitions and divestitures.</li> <li>• The management reporting processes supporting external reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk management, internal compliance accountability and control systems.</li> <li>• The Company's financial position and its ability to meet its debts and other obligations as they fall due.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the adopted strategies, procedures and standards relating to communication with shareholders.</li> <li>• That reporting to all stakeholders is relevant, timely and accurate.</li> </ul>
<b>Evaluating</b>	<ul style="list-style-type: none"> <li>• The performance of the CEO and other members of the senior management team.</li> </ul>	<ul style="list-style-type: none"> <li>• Whether the Company's accounts comply with relevant accounting standards and present a true and fair view.</li> <li>• Whether processes are in place to effectively monitor all relevant legal, tax and regulatory obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Whether the Company's external reporting is legally compliant, consistent with the Board's information and knowledge, and suitable for shareholder needs.</li> <li>• The effectiveness of the performance of the Board and its Committees.</li> </ul>

The Board has implemented a practice whereby the non-executive directors meet periodically without the presence of management.

In accordance with the provisions of the Company's Constitution, the Board has delegated responsibility for the day-to-day management of the Company to the CEO and management pursuant to a formal delegation structure, which complements the roles and responsibilities contained in position descriptions for individuals. The respective roles and responsibilities of the Board are outlined further in the Board Charter.

The Company Secretary, Fiona Last, is accountable to the Board, through the Chairman, on all governance matters.

## 2.2 Board Committees

The Constitution and the Board Charter permit the Board to establish Committees to streamline the discharge of its responsibilities. As at the date of this corporate governance statement, three standing Committees have been established as follows:

- Audit and Risk Committee;
- Nominations Committee; and
- Human Resources Committee.

The Charter of each Board Committee sets out the composition, duties and responsibilities of that particular Committee. Further details regarding the three standing Committees, including membership for F18, are set out in the following table:

	AUDIT AND RISK	NOMINATIONS	HUMAN RESOURCES
<b>Members</b>	Garry Hounsell (Chairman) Peter Hearl (until 31 August 2017) Ed Chan (from 1 September 2017) Lyndsey Cattermole (until 18 October 2017) Paul Rayner (from 19 October 2017 until 10 April 2018) Colleen Jay (from 1 April 2018)	Paul Rayner (Chairman) Garry Hounsell Warwick Every-Burns	Warwick Every-Burns (Chairman) Michael Cheek Lauri Shanahan
<b>Composition</b>	<ul style="list-style-type: none"> <li>• At least three but no more than five members.</li> <li>• All members must be independent non-executive directors.</li> <li>• The members shall, between them, have sufficient accounting and financial knowledge, and a sufficient understanding of the industry in which the Company operates, to be able to effectively discharge the Committee's responsibilities.</li> <li>• The Chairman of the Committee must not be the Chairman of the Board.</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee must have at least three members.</li> <li>• All members must be independent non-executive directors.</li> <li>• The Chairman of the Board is to be the Chairman of the Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee must have at least three members.</li> <li>• All members must be independent non-executive directors.</li> </ul>
<b>Responsibilities</b>	<p>Oversee and/or review:</p> <ul style="list-style-type: none"> <li>• Risk management and internal controls and corresponding policies and procedures.</li> <li>• The processes used by management to ensure compliance with all requirements relating to external reporting.</li> <li>• The Company's legal and other obligations to all legitimate stakeholders.</li> <li>• The scope, coordination and conduct of the internal and external audit programs, together with the performance and independence of the internal and external auditors.</li> </ul>	<p>Assess:</p> <ul style="list-style-type: none"> <li>• The necessary and desirable competencies of Board members.</li> <li>• The range of skills, experience and expertise on the Board and identify any additional skills or expertise that may be desirable.</li> <li>• The steps required to ensure a diverse range of candidates are considered in selecting new directors.</li> </ul> <p>Review:</p> <ul style="list-style-type: none"> <li>• The performance of the Board, Board Committees and individual directors.</li> <li>• The Notice of Meeting to ensure resolutions for the election/re-election of a non-executive director are appropriately framed and contain all the information that investors might reasonably require.</li> </ul>	<p>Oversee and/or review:</p> <ul style="list-style-type: none"> <li>• The overall human resources strategies and policies that provide the Company with the capability to achieve its short-term and long-term business objectives.</li> <li>• The establishment of training and development programs and succession plans for senior management.</li> <li>• Employment contract terms and remuneration arrangements of senior executives.</li> <li>• The senior executive performance review process and results.</li> <li>• The maintenance of a company-wide diversity policy (and reporting on progress in achieving the objectives of the policy).</li> </ul>

	AUDIT AND RISK	NOMINATIONS	HUMAN RESOURCES
<b>Responsibilities</b> (continued)	<p>Advising the Board on:</p> <ul style="list-style-type: none"> <li>• The integrity of the Company's financial reporting, financing, capital management and treasury risk management.</li> <li>• The appointment or removal of internal and external auditors.</li> <li>• Standards of ethical behaviour and decision-making required of directors and key executives.</li> </ul>	<p>Advising the Board on:</p> <ul style="list-style-type: none"> <li>• The composition, size and commitment of the Board to ensure that it can adequately discharge its duties.</li> <li>• Succession plans and plans for enhancing competencies of Board members, including the CEO.</li> <li>• Potential candidates suitably qualified to be invited to join the Board.</li> <li>• Whether the Board should support the re-election of a director who is retiring by rotation.</li> </ul>	<p>Advising the Board on:</p> <ul style="list-style-type: none"> <li>• Recruitment and retention policies and procedures for the CEO and senior executives.</li> <li>• The remuneration policy applicable to the CEO and senior management.</li> <li>• Remuneration of non-executive directors in respect of Board and Committee participation.</li> <li>• Senior executive remuneration (including equity-based and other incentive plans).</li> <li>• The reduction or clawback of awards either in part or full as appropriate under the terms of the clawback policy.</li> <li>• New employee incentive plans and amendments to existing plans.</li> </ul>
<b>Consultation and advice</b>	<ul style="list-style-type: none"> <li>• The Committee has unlimited access to internal and external auditors, senior management and other employees, and has the opportunity at each meeting to engage with the internal and external auditors without the presence of management.</li> <li>• Subject to the consent of the Committee Chairman, the Committee or any individual member may engage an independent external adviser in relation to any Committee matter, at the expense of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• Subject to the consent of the Committee Chairman, the Committee or any individual member may engage an independent external adviser in relation to any Committee matter, at the expense of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee has unrestricted access to management.</li> <li>• Subject to the consent of the Committee Chairman, the Committee or any individual member may engage an independent external adviser in relation to any Committee matter, at the expense of the Company.</li> </ul>

Details of meeting attendance for members of each Committee are set out in the Directors' Report contained in the Annual Report.

All directors receive copies of all Committee minutes, and the Chairman of the Committee reports to the Board on activities of the Committee at the next Board meeting.

The CEO, senior executives and other employees, and external parties may be invited to provide information or reports, or attend the Committee meetings as required.

### 2.3 Board access and independent advice

The directors have unlimited access to employees and advisers, and subject to the law, access to all Company documents.

The Board, an individual director or a Committee may engage an independent external adviser in relation to any Board matter, at the expense of the Company.

Before the external advice is sought, consent needs to be obtained. In the case of:

- the Board – from the Chairman;
- an individual director – from the Chairman or the relevant Committee Chairman, as the case may be;
- a Committee – from the Committee Chairman;
- the Chairman – from the Chairman of the Audit and Risk Committee, or otherwise from another non-executive director.

The Chairman or a Committee Chairman, as applicable, may determine that any external advice received by an individual director be circulated to the remainder of the Board.

## 2.4 Performance assessment

In accordance with the Board Charter, a formal review of the effectiveness of the Board, its Committees and individual directors is conducted annually, including in the current year. The views of individual directors as well as those of selected executives who report directly to the CEO in a senior management capacity are typically canvassed.

Following each review:

- the performance of individual directors is discussed by the Chairman with each director (and in the case of the Chairman, by a director chosen by the Board for that purpose); and
- the performance of the Board and Committees is discussed by the Board at its next meeting after conclusion of the review.

The Board will, from time to time, engage external consultants to conduct a comprehensive review of the effectiveness of the Board, its Committees and individual directors.

For the current year, an internal review, led by the Chairman, was undertaken to assess the performance of individual directors, the Chairman, the Board as a whole, various aspects of the Board Committees including their performance, membership and quality of reporting, and the Board's interaction with senior executives. This review was conducted through a survey process, as well as face-to-face meetings, involving each director, with feedback also provided by senior executives. The overall findings of the review were discussed by the Nominations Committee and presented to the Board, and each director was provided with feedback on his or her contribution.

The performance of the CEO is measured against agreed annual key performance objectives.

A formal process for the evaluation of the performance of senior executives is conducted by the CEO on an annual basis and reviewed by the Human Resources Committee.

## SECTION 3: RISK MANAGEMENT AND INTERNAL CONTROLS

### 3.1 Risk Management Policy and Framework

The Board, supported by the Audit and Risk Committee, has approved a Risk Management Policy (the Policy) and a Risk Management Framework (the Framework) to oversee and manage risk.

The Policy, which is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance), provides guidance and direction on the management of risk in the Company and states the Company's commitment to the effective management of risk to reduce uncertainty in the Company's business outcomes.

The Framework describes the risk and assurance systems to manage risk and the supporting management disciplines in place to bring these systems to life. It explains the philosophy and structure required to recognise business improvement opportunities through the management of risk.

The Policy acknowledges that all employees have a role in managing risk, and in particular, they are encouraged to identify, report and assess operating risks in the

business. The management of risk is not treated as a separate discrete function, but is integral to the way employees work.

The Board, supported by the Audit and Risk Committee, plays a critical role in the oversight of risk by:

- providing strategic guidance on all aspects of risk management across the Company;
- reviewing and approving the Policy, Framework and Group Risk Profile each year (including during F18) to satisfy itself that it continues to be sound;
- reviewing and monitoring the system of risk management and internal control; and
- setting the risk management tone and expectations for the Company.

### 3.2 Material risks

A summary of the Company's material business risks, including economic, environmental and social sustainability risks, and how those risks are managed is set out in the Operating and Financial Review contained in the Annual Report.

### 3.3 Integrity in financial reporting

#### Role of the Audit and Risk Committee

The Audit and Risk Committee monitors the internal control policies and procedures designed to safeguard company assets and to maintain the integrity of the Company's financial reporting.

The CEO, Chief Financial Officer (CFO), Group Financial Controller, internal auditor and external auditor are invited to attend meetings, as required. Other executives and advisers are also invited to attend meetings, as appropriate.

The CEO and CFO have provided a written declaration to the Board, in accordance with the *Corporations Act 2001* (Cth), confirming that, in their opinion:

- the Company's financial records have been properly maintained;
- the Company's financial statements and notes to the financial statements give a true and fair view of the financial position and performance of the Group and comply with the relevant accounting standards; and
- the Company's financial statements are formed on the basis of a sound system of risk management and internal control, which is operating effectively.

#### Appointment and rotation of the external auditor

The Audit and Risk Committee is responsible for reviewing the effectiveness and performance of the external auditor.

The Company reviews the lead audit partner of the external audit firm at least once every five years. The lead audit partner will attend the Company's Annual General Meeting and will be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

A summary of the Company's guidelines relating to the selection and appointment of the external auditor and the rotation of the external auditor partner is posted on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

### 3.4 Internal audit

The Company's internal audit function monitors the Group-wide internal control framework, providing assurance that the design and operation of the Group's risk management and internal control system is effective.

Internal audit uses a risk-based methodology, including the use of the organisation's risk assessment program, in setting the annual internal audit plan. In performing their work, internal audit have unrestricted access to review all aspects of the Group's operations. The head of internal audit is jointly accountable to the Audit and Risk Committee and the CFO.

Internal audit operates under a Charter approved by the Board, and is independent of the external audit function. The Audit and Risk Committee reviews the effectiveness and performance of the internal auditor, approves the annual internal audit plan, reviews reports and agreed actions, and ensures that planned audit activities are aligned to business risks.

## SECTION 4: PROMOTE ETHICAL AND RESPONSIBLE BEHAVIOUR

### 4.1 Code of Conduct

TWE recognises that its reputation is one of its most valuable assets, founded largely on the ethical behaviour of the people who represent the Company.

The Board has approved a Code of Conduct that sets out the principles of ethical behaviour expected to be adhered to by all personnel. This ethical framework provides the foundation for the maintenance and enhancement of the Company's reputation.

The Company's Code of Conduct commits its directors, employees, contractors and consultants to not only comply with the law, but to conduct business in accordance with the highest ethical standards so that, as a global supplier of premium alcohol beverages, the Company:

- demonstrates corporate responsibility by encouraging the responsible consumption of the Company's products;
- conducts business with integrity, honesty and fairness;
- values and respects diversity in a workplace in which no-one is discriminated against on the basis of gender, age, race, religion, sexual orientation, disability or marital status; and
- observes both the spirit and letter of the Company's legal obligations.

Any breach of the Code of Conduct will be treated as a serious matter and may give rise to disciplinary action, including dismissal.

The Code of Conduct is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

### 4.2 Anti-bribery and corruption

TWE is committed to doing the right thing and treats potential instances of fraudulent or corrupt behaviour as a threat to its reputation and integrity as a business. TWE requires all staff to understand that responsible business practice always takes precedence over the need to meet performance targets and operates a zero tolerance approach to fraud and any form of corruption.

The Company's Fraud and Corruption Policy provides, amongst other things, that:

- fraudulent or corrupt conduct is absolutely prohibited whether committed by employees or third parties acting on the Company's behalf;
- it is strictly prohibited for any employee, or person acting on the Company's behalf, to pay or accept bribes to obtain a business advantage; and
- the Company has a zero tolerance approach to bribery and corruption and is committed to countering it in all forms.

This framework is supported by a policy that governs corporate gifts, entertainment and unacceptable payments.

All employees with computer access, or those identified as high risk groups, receive online or face-to-face training on the laws and regulations relating to bribery and corruption and the requirements of related Company policies.

### 4.3 Potential conflicts of interest

The Company has adopted a policy in relation to the disclosure and management of potential conflicts of interest. Employees must not engage in activities, hold interests or allow themselves to be in situations that involve, could potentially involve or could be perceived as involving, a conflict between their personal interests and the interests of the Company, without prior disclosure and, where appropriate, approval.

Employees are required to declare relevant potential conflicts prior to starting the activity or, in the case of prospective employees, during the application and recruitment process. Should a potential conflict arise, employees must immediately disclose this to their manager and to the Company Secretary. A register of disclosed interests is maintained by the Company Secretary and reviewed periodically by the Board.

Directors are expected to avoid any position or interest that conflicts or could be perceived to conflict with the interests of the Group. This is a matter for ongoing consideration by all directors.

Directors are required to disclose to the Company any interests or directorships which they hold with other organisations and to identify any conflicts of interest they may have, or appear to have, in dealing with the Company's affairs.

Should the possibility of a conflict arise, relevant information will not be provided to the director and the director will not participate in discussions or vote on the matter unless permitted under specific circumstances in accordance with the *Corporations Act 2001* (Cth).

The Potential Conflicts of Interest Policy is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

#### 4.4 Whistleblower Policy

The Company has adopted a Whistleblower Policy (the Policy) to promote and support its culture of honest and ethical behaviour. The Policy encourages employees to raise any concerns and report instances of unethical, illegal or fraudulent behaviour or any other matter that may contravene the Company's Code of Conduct, policies or the law.

The Company is committed to absolute confidentiality and fairness in relation to all matters raised and will support and protect those who report violations in good faith.

The Policy provides that any issue may be reported to the employee's immediate supervisor, a Human Resources Manager, the Chief Legal Officer or, where an employee wishes to remain anonymous, an external Whistleblower Service Provider. The Policy provides that all reports will be thoroughly investigated, and where applicable, feedback on the outcome of the investigation will be provided to the person making the report. Any person who makes a report will not be discriminated against or disadvantaged in their employment with the Company by virtue of making a report.

The Policy stipulates that the Board will periodically be provided with a report of the number and nature of reports made under the Policy.

The Whistleblower Policy is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

#### 4.5 Share Trading Policy

In accordance with the prohibition in the *Corporations Act 2001* (Cth) in relation to insider trading, the Company's Share Trading Policy (the Policy) states that all directors and employees are prohibited from trading in the Company's shares if they are in possession of 'inside information'.

Under the Policy, all directors and employees, together with their direct family members and controlled entities, are prohibited from dealing in the Company's shares during 'blackout' periods (which are the periods from the close of books to shortly after the announcement of the half-year or full-year results, and the four week period leading into the Company's Annual General Meeting).

Outside 'blackout' periods, directors, ELT members and certain employees who have been notified by the Chief Legal Officer or Company Secretary, together with their direct family members and controlled entities, may only trade with the prior approval of the relevant persons set out in the Policy.

The Policy also restricts short-term dealings and entry into hedging arrangements, derivatives and margin loan arrangements in respect of the Company's shares.

The Share Trading Policy is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

#### 4.6 External directorships

Key executives, including the CEO, are only permitted to hold a non-executive directorship of an external public company with the prior approval of the Board. Such a public company may not be a competitor, supplier or customer of the Company, nor can the directorship create an actual or potential conflict of interest with the Company's business interests.

#### 4.7 Corporate responsibility

The Company is committed to operating sustainably, safely and responsibly and has a dedicated Corporate Responsibility (CR) program to manage aspects of this commitment. In F18, the CR program was reviewed and a comprehensive CR materiality assessment undertaken. These processes identified priority environmental, social and governance (ESG) topics for TWE, which were grouped resulting in the establishment of four key pillars – Performance, Planet, People and Product. The CR program is overseen by the Global CR Council, which establishes a range of objectives and targets to deliver against the Company's CR pillars. The CR program and supporting initiatives ensure the Company maintains its social licence to operate through risk management, proactive engagement of key stakeholders with interest in the Company's environmental, social and governance performance and enhancement of employee engagement and retention. Progress against these initiatives has been highlighted in the Corporate Responsibility section of the Annual Report and detailed in the Sustainability Report, which is available on the Company's website at [www.tweglobal.com/responsibility](http://www.tweglobal.com/responsibility).

### SECTION 5: DIVERSITY AND INCLUSION

The Company is committed to creating and maintaining a high-performance culture by attracting and retaining the best possible talent, as well as creating an inclusive environment where people from diverse backgrounds, with a variety of experiences, can fulfil their potential.

The Company has a Diversity and Inclusion Policy (the Policy), which is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

In accordance with the Policy, the Company has established measurable objectives to enhance gender diversity. Further details of the Company's progress towards achieving the measurable objectives are set out in the Diversity and Inclusion section of the Annual Report.

In 2017, the Board set an aspirational target to achieve 30% female representation on the Board by the 2018 Annual General Meeting as vacancies and circumstances allow. As at the date of this corporate governance statement, women represent 25% of the Board, and will represent 29% of the Board following the retirement of Mr Cheek at the end of the 2018 Annual General Meeting. The Board is committed to achieving the 30% target and therefore continues to be actively engaged in succession planning in order to achieve this target, with a focus on appointing candidates to the Board with the desired mix of skills, experience and diversity.

## **SECTION 6: MARKET DISCLOSURE AND COMMUNICATIONS WITH SHAREHOLDERS**

### **6.1 Continuous disclosure to stakeholders**

The Company is committed to providing timely, open and accurate information to all its stakeholders, including shareholders, regulators and the investment community. The Company has an investor relations program which facilitates effective two-way communication with investors.

The Company's Disclosure Policy (the Policy) confirms the Company's commitment to meeting its stakeholders expectations for timely, balanced and meaningful disclosure. The Policy sets out both the procedures in place to ensure compliance with its regulatory obligations, including obligations under the continuous disclosure regime pursuant to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, and the expectations on all employees of the Company, including directors and senior executives.

The Company has also established written guidelines and procedures to supplement the Disclosure Policy, which are designed to manage the Company's compliance with its continuous disclosure obligations. A Disclosure Committee, comprised of senior executives, is responsible for overseeing and coordinating the disclosure of information by the Company to the ASX and for administering the Policy.

The Audit and Risk Committee and Board review the Disclosure Policy annually and are briefed on legal and regulatory developments of the continuous disclosure regime. The Company holds periodic briefing sessions for relevant employees (who may be likely to come into possession of confidential information) on how the continuous disclosure obligations apply to the Company, including consideration of materiality guidelines relevant to the Company and the Company's internal processes for escalation and assessment of information prior to release to the ASX. As a matter of practice, the Board considers the Company's obligations under the Disclosure Policy at its meetings.

The Company's Disclosure Policy is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).

### **6.2 Communication with shareholders**

The Company's website forms a key part of the Company's communications with shareholders and the wider investment community. The Company's website contains ASX announcements, Annual Reports, financial results announcements, as well as relevant presentations and supporting material provided to the media and investment community.

The Company's Communications Policy encourages and promotes effective communication with shareholders and effective participation at the Annual General Meeting in order to promote discussion about the Company and its strategy and goals. The Board supports and encourages shareholders to ask questions during the Annual General Meeting. For shareholders who are unable to attend in person, the Annual General Meeting is webcast live and is archived for viewing on the Company's website. The Company periodically reviews how best to take advantage of technology to enhance shareholder communications.

Shareholders can elect to receive email notifications when the Annual Report and certain other information is posted to the Company's website. Shareholders can communicate with the Company or its share registrar, Computershare Investor Services Pty Limited (Computershare) by mail, telephone, email or online via the Computershare Investor Centre portal. Shareholders may choose to receive communications from and send communications to the Company and Computershare electronically.

The Company's Communications Policy is available on the Company's website at [www.tweglobal.com/investors/corporate-governance](http://www.tweglobal.com/investors/corporate-governance).