

VISTA GROUP INTERNATIONAL LIMITED CORPORATE GOVERNANCE STATEMENT

	Compliance	Pages
Principle 1: Lay solid foundations for management and oversight		
1.1 Formalise and disclose the functions reserved to the board and those delegated to management	✓	
1.2 Disclose the process for evaluating the performance of senior executives	✓	
1.3 Provide the information indicated in the Guide to reporting on Principle 1	✓	
Principle 2: Structure the board to add value		
2.1 A majority of the board are independent directors	✗	
2.2 The Chair is an independent director	✗	
2.3 The roles of Chair and chief executive officer are not exercised by the same individual	✓	
2.4 The board has established a nomination committee	✓	
2.5 Disclose the process for evaluating the performance of the board, its committee and individual directors	✓	
2.6 Provide the information indicated in the Guide to reporting on Principle 2	✓	
Principle 3: Promote ethical and responsible decision making		
3.1 Establish a code of conduct and disclose the code or a summary of the code	✓	
3.2 Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them	✓	
3.3 Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	✓	
3.4 Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board	✓	
3.5 Provide the information indicated in the Guide to reporting on Principle 3	✓	
Principle 4: Safeguard integrity in financial reporting		
4.1 The Board should establish an audit committee	✓	
4.2 Structure the audit committee so that it consists of:		
• only non-executive directors	✓	

	Compliance	Pages
<ul style="list-style-type: none"> a majority of independent directors an independent chair, who is not chair of the board; and at least three members 	✓ ✓ ✓	
4.3 The audit committee has a formal charter	✓	
4.4 Provide the information indicated in the Guide to reporting on Principle 4	✓	
Principle 5: Make timely and balanced disclosure		
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies	✓	
5.2 Provide the information indicated in the Guide to reporting on Principle 5	✓	
Principle 6: Respect the rights of shareholders		
6.1 Design a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings and disclose the policy or a summary of that policy	✓	
6.2 Provide the information indicated in the Guide to reporting on Principle 6	✓	
Principle 7: Recognise and manage risk		
7.1 Establish policies for the oversight and management of material business risks and disclose a summary of those policies	✓	
7.2 The board requires management to design and implement the risk management and internal control system to manage the entity's material business risks and to report to the board on whether these risks are being managed effectively. The board has disclosed that management has reported as to the effectiveness of the company's management of its material business risks	✓	
7.3 Disclose whether the board has received assurance from the chief executive officer (or equivalent) and chief financial officer (or equivalent) that the declaration provided under section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks	N/A	
7.4 Provide the information indicated in the Guide to reporting on Principle 7	✓	
Principle 8: Remunerate fairly and responsibly		
8.1 The board has established a remuneration committee	✓	
8.2 The remuneration committee is structured so that it consists of:		

	Compliance	Pages
<ul style="list-style-type: none"> • a majority of independent directors • is chaired by an independent director • has at least three members 	✓ ✓ ✓	
8.3 Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	✓	
8.4 Provide the information indicated in the Guide to reporting on Principle 8	✓	

Background

Vista Group International Limited (the **Company**) is a company incorporated in New Zealand under the *Companies Act 1993* (New Zealand) (the **Companies Act**) and is principally governed by New Zealand law, rather than Australian law. In Australia, it is registered with the Australian Securities and Investments Commission (**ASIC**) as a foreign company. Its general corporate activities (apart from any offering of securities in Australia) are not regulated by the *Corporations Act 2001* (Cth) (the **Corporations Act**) or by ASIC but instead are regulated by the Companies Act, the New Zealand Financial Markets Authority, the Registrar of Financial Service Providers and the Registrar of Companies.

Corporate Governance Principles

The Company's corporate governance framework takes into consideration contemporary standards in New Zealand and Australia, incorporating principles and guidelines issued by the New Zealand Financial Markets Authority and its predecessor the Securities Commission, the best practice code issued by NZX and the ASX Corporate Governance Council Principles and Recommendations (the **ASX Recommendations**). The ASX Recommendations are not mandatory, but are guidelines designed to maximise corporate performance and accountability in the interests of investors and the broader community. If a listed entity considers that a recommendation is inappropriate to its particular circumstances, it has the flexibility not to adopt it – a flexibility tempered by the requirement under the ASX Listing Rules to explain why – the “if not, why not “ approach.

The corporate governance framework adopted by the Board reflects its commitment to maintain the highest standards of business behaviour and accountability. In accordance with the ASX Listing Rules and the ASX Recommendations, the Board has disclosed in this corporate governance statement the extent to which the Company has followed the ASX Recommendations, and where it has decided not to follow those recommendations, reasons for its divergence from the ASX Recommendations, as at the date of the Company's admission to the official list of ASX.

References to “Board”, “Directors” and “Chief Executive Officer” in this corporate governance statement are to the board, directors and chief executive of the Company.

Principle 1: Lay solid foundations for management and oversight

The Board

The Board is responsible for directing the Company and enhancing shareholder value in accordance with good corporate governance principles. Further, the Board has statutory responsibilities for the affairs and activities of the Company, with delegation to the Chief Executive Officer (the **CEO**) and other management of the Company.

The main functions of the Board, the CEO and senior executive team are set out in the prospectus in relation to the Company's initial public offering dated 3 July 2014 (the **Offer Document**) and the Company's Corporate Governance Code (the **Code**) in accordance with Recommendation 1.1.

The main functions of the Board are to:

- approve, and from time to time review, the Company's corporate mission statement;
- select and (if necessary) replace the CEO;
- ensure that the Company has adequate management to achieve its objectives and to support the CEO and that a satisfactory plan for management succession is in place;
- review and approve the strategic, business and financial plans prepared by management and to develop a depth of knowledge of the Company's business so as to understand and question the assumptions upon which such plans are based and to reach an independent judgment on the probability that such plans can be achieved;
- review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;
- review and approve material transactions not in the ordinary course of the Company's business;
- approve and oversee the administration of the Company's technology development strategy;
- approve the appointments by, or at the request of, the Company (including its affiliates) to the boards of directors of subsidiary and associate companies;
- monitor the Company's performance against its approved strategic, business and financial plans and to oversee the Company's operating results on a regular basis so as to evaluate whether the business is being properly managed;
- ensure ethical behaviour by the Company, the Board and management, including compliance with the Company's constitution, the relevant laws, listing rules and regulations and the relevant auditing and accounting principles;
- implement and from time to time review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those directors, managers or other employees who engage in unethical behaviours;
- ensure the quality and independence of the Company's external audit process; and
- assess from time to time its own effectiveness in carrying out these functions and the other responsibilities of the Board.

The CEO is responsible for:

- formulating the vision for the Company;
- recommending policy and the strategic direction of the Company for approval by the Board;
- providing management of the day to day operations of the Company; and
- acting as the spokesperson of the Company.

Performance evaluation of senior executives

The Board is responsible for constantly monitoring the performance of the CEO against the Board's requirements.

The Nominations and Remuneration Committee evaluates the performance of the CEO and oversees the CEO's evaluation of the senior management that report directly to the CEO. The evaluation of the CEO and senior management is based on criteria set by the Nominations and Remuneration Committee which include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives agreed at the beginning of each financial year.

A copy of the Offer Document will be available from the Company's market announcements on the ASX website (www.asx.com.au).

A copy of the Code will be available from (<http://www.vistagroup.co.nz/>) following listing.

In accordance with Recommendations 1.2 and 1.3, the Company has disclosed the process for evaluating the performance of senior executives and has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 1.

In accordance with Recommendation 1.3, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 1.

Principle 2: Structure the board to add value

Board composition

The Board consists of two executive directors, two independent non-executive directors, and the Chair who is also a non-executive director.

The Chair is Kirk Senior and the CEO is Murray Holdaway. In accordance with Recommendation 2.3, the roles of chair and CEO are exercised by different persons.

Mr Senior provides consulting services to the Company, in addition to his role as Chairman, and as such cannot be considered to be an independent director. However, Mr Senior is considered to be the most appropriate director to act as Chairman because of the depth of his leadership and operational experience and considerable professional network across the international film industry. Further, the NZX Listing Rules require the Company to have a minimum of two independent directors. The Company considers that the Board has an appropriate mix of skills, experience and independence to ensure the Company is governed in a manner that ensures that the interests of all shareholders are represented and protected. Therefore, although the Company has not followed Recommendation 2.1 and 2.2, the Company still considers that the Board has been structured in such a way so as to add value. The Board is also confident that proper processes are in place to address the needs and expectations of stakeholders with respect to independence in decision-making and the management of any conflicts of interests.

The biographies of the initial Directors are set out in section 5.1.1 of the Offer Document.

Nominations Committee

The Company has established a Nominations and Remuneration Committee in accordance with Recommendation 2.4.

The primary objectives of the Nominations and Remuneration Committee are to ensure that a formal and transparent method for the nomination and appointment of directors exists and to regularly review the composition of the Board to ensure the right composition of directors is maintained.

The Nominations and Remuneration Committee does this by:

- making recommendations to the Board as to its size;
- reviewing the composition of the Board to ensure the most appropriate balance of skills, qualifications and experience;
- reviewing Board succession plans to maintain an appropriate balance of skills, experience and expertise on the Board;
- reviewing criteria for determining suitability of potential directors in terms of balance of the Board;
- identifying and maintaining a list of suitably qualified people who could be approached for future Board positions; and
- ensuring there is an appropriate induction programme in place for all new Directors.

Susan Peterson, James Ogden and Kirk Senior (Chair) are the current members of the Nominations and Remuneration Committee.

A copy of the Company's Nominations and Remuneration Committee Charter will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

Performance evaluation of the Board, its committees and individual Directors

The Chair of the Board must ensure that rigorous, formal processes for evaluating the performance of the Board, Board Committees and individual Directors are in place and lead such processes. Further, as part of that evaluation process the Board must establish performance criteria for itself and review its performance against those criteria (at least) annually. The Board must also review its relationship with management annually. As part of the review process, the Board will use, evaluate, and where necessary action, the results of a board performance questionnaire.

Further, the Nominations and Remuneration Committee undertakes an annual self-review of its objectives and responsibilities. In addition, those objectives and responsibilities are also reviewed (as against the Nominations and Remuneration Committee Charter) by the Board and CEO.

The Company has complied with Recommendation 2.5.

In accordance with Recommendation 2.6, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 2.

Principle 3: Promote ethical and responsible decision-making

Code of Conduct

The Company has adopted a code of conduct (the **Vista Code of Ethics**) which will, from listing, play a key role in establishing the framework by which the Company's employees are expected to conduct themselves. The Vista Code of Ethics is intended to facilitate decisions that are consistent with the Company's values, business goals and legal and policy obligations. The Vista Code of Ethics covers, among other things, conflicts of interest, gifts and behaviours.

The Vista Code of Ethics will guide the Company and its employees to:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account the Company's legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the Vista Code of Ethics will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

The Company complies with Recommendation 3.1.

Diversity Policy

In accordance with Recommendation 3.2, the Company has adopted a formal diversity policy (the **Diversity Policy**). The Diversity Policy sets out the Company's commitment to achieving diversity in the attributes and experiences of the Board, management and staff across a broad range of criteria including gender, background, and education (amongst others).

The Diversity Policy requires the Board to establish measurable objectives toward achieving diversity, including gender diversity. Such objectives could include (but do not have to include) establishing a working group or committee on diversity or providing training. In accordance with the Diversity Policy, the Board must annually review the Company's performance against the previous year's objectives and prepare a written statement which will be included in the annual report (including an assessment of the gender diversity measurable objectives and the progress toward achieving them).

The Board will also review the relevance and effectiveness of the Diversity Policy at least once a year.

The Company complies with Recommendation 3.2.

A copy of the Diversity Policy will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

The Company intends to make the disclosures recommended by Recommendations 3.3 and 3.4 in its annual report.

In accordance with Recommendation 3.5, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 3.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

The Board has an Audit and Risk Management Committee whose primary objective is to assist the Board in fulfilling its responsibilities by:

- ensuring the quality and independence of the Company's external audit process;
- overseeing (among other things):
 - the integrity of external financial reporting,
 - application of accounting policies,
 - financial management, and
 - the risk management framework and monitoring compliance with that framework;
- providing a formal forum for communication between the Board and senior financial management;
- regularly reviewing the Company's internal controls and systems;
- undertaking an annual self-review of the Committee's objectives;
- regularly reporting to the Board on the operation of the Company's risk management and internal control processes; and
- provide sufficient information to the Board to allow the Board to report annual to shareholders and stakeholders on risk identification and management procedures and relevant internal controls of the Company.

The Company complies with Recommendation 4.1 in relation to establishing an audit committee.

The current members of the Audit and Risk Management Committee are Kirk Senior, Susan Peterson (Chair) and James Ogden. The Audit and Risk Management Committee is comprised of three members who are all non-executive directors, with a majority of independent directors, one of whom is the Chair of the Committee. The Company complies with Recommendation 4.2.

A copy of the Audit and Risk Management Committee Charter will be available from Company's website (<http://www.vistagroup.co.nz/>) following listing.

The Company complies with Recommendation 4.3.

In accordance with Recommendation 4.4, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 4.

Principle 5: Make timely and balanced disclosure

The Company is subject to the disclosure requirements of securities and other laws in New Zealand and Australia and, once listed, will also be required to comply with the NZX Main Board and ASX Listing Rules.

The Company is committed to notifying the market through full and fair disclosure to the NZX Main Board and ASX of any material information related to its business that is required to be disclosed by the applicable listing rules. The Company is mindful of the need to keep stakeholders informed through a timely, clear and balanced approach which communicates both positive and negative news.

Once listed, the Company will also be required to comply with the periodic disclosure requirements under the NZX Main Board and ASX Listing Rules.

In accordance with Recommendation 5.1, the Company has adopted a Continuous Disclosure Policy which establishes procedures that are aimed at ensuring that the directors and all employees of the Company are aware of and fulfil their disclosure obligations under the NZX Main Board and ASX Listing Rules. The Continuous Disclosure Policy creates a Disclosure Committee which will determine whether information is material and whether it should be released. The Disclosure Committee is made up of the Board Chair, Audit and Risk Management Committee Chair and the remaining independent director.

A copy of the Continuous Disclosure Policy will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

In accordance with Recommendation 5.2, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 5.

Principle 6: Respect the rights of shareholders

In accordance with Recommendation 6.1, the Code addresses Shareholder Participation. This section of the Code is designed to highlight the Board's accountability to shareholders. Further, this section encourages shareholders to use the annual general meeting to ask questions and make comments on the performance of the Company. This section of the Code highlights that the Board welcomes input from shareholders and encourages shareholders to submit questions in writing prior to the annual general meeting so that an informed answer can be given at that meeting, and also indicates that the Board will ensure that the Company's external auditors are available for questioning by shareholders at the annual general meeting.

A copy of the Code will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

In accordance with Recommendation 6.2, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 6.

Principle 7: Recognise and manage risk

The identification and effective management of the Company's risks are a priority of the Board. The CEO is accountable for all operational and compliance risk across all of the Company's operations and businesses. The Financial Director has management accountability for the effective implementation of the Risk Framework across all of the Company's businesses.

The Company has in place an overarching Operating Risk and Compliance Framework (the **Risk Framework**), supported by three tiers of operating risk and compliance policies that aim to ensure that Vista, its directors and employees will comply with relevant regulatory requirements such as New Zealand laws, NZX and ASX listing rules and relevant codes of practice.

The purpose of the Risk Framework is to ensure a consistent approach to operating and compliance risk across all the Company's businesses in all geographies where the Company operates. The Risk Framework sets out the specific areas for which the CEO and Finance Director are accountable.

In addition to the Risk Framework, the Code provides that the Audit and Risk Management Committee will regularly report to the Board on the operation of the Company's risk management and internal control processes and provide sufficient information to the Board to allow the Board to report annually to shareholders and stakeholders on risk identification and management procedures and relevant internal controls of the company.

A summary of the Risk Framework will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

The Company complies with Recommendations 7.1 and 7.2.

Recommendation 7.3 is not applicable as the provisions of Chapter 2M of the Corporations Act do not apply to the Company. Accordingly, the Company will not seek or obtain the assurance from management ordinarily required by section 295A of the Corporations Act and will not be complying with Recommendation 7.3 (or any other related recommendations) on an ongoing basis.

In accordance with Recommendation 7.4, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 7, and, in particular, has provided or will provide an explanation for its departure from Recommendation 7.3.

Principle 8: Remunerate fairly and responsibly

Remuneration of Directors

The Chairman receives \$150,000 per annum. The independent directors receive \$75,000 per annum each. The CEO and other executive director receive remuneration from the Company and its subsidiaries (the **Vista Group**) and do not receive Directors fees. Shareholders have approved the Directors' fees in aggregate for all directors at \$500,000 per annum. This fee pool includes headroom for a possible additional Director, should an appropriate candidate be identified in the future. Directors are also entitled to be paid for reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with the Vista Group's business.

Nominations and Remuneration Committee

The Company has established a remuneration committee in the form of the Nominations and Remuneration Committee. In addition to the objectives mentioned above, further primary objectives of the Committee are to assist the Board in the establishment of remuneration policies and practices for,

including remuneration setting and review of the CEO, other senior executives and directors (both non-executive and executive) and to regularly review and recommend changes to director remuneration to ensure that it is at an appropriate level and effectively managed.

The Company's Nominations and Remuneration Committee sets and reviews, in accordance with the Company's remuneration policies and practices, all components of the remuneration of the CEO, executive and non-executive directors.

Susan Peterson, James Ogden and Kirk Senior (Chair) are the current members of the Nominations and Remuneration Committee.

The Company complies with Recommendations 8.1 and 8.2 in relation to establishing a remuneration committee with the recommended composition.

A copy of the Company's Nominations and Remuneration Committee Charter will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

The structure of senior executives' remuneration, as distinct from Directors' remuneration, is set out in Section 5.2.6 Executive Remuneration and Share Plans of the Offer Document. The Company complies with Recommendation 8.3.

A copy of the Company's Securities Trading Policy will be available from the Company's website (<http://www.vistagroup.co.nz/>) following listing.

In accordance with Recommendation 8.4, the Company has provided, or intends to provide in its annual report, the information indicated in the Guide to reporting on Principle 8.