

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Equity Trustees Limited

ABN / ARBN:

46 004 031 298

Financial year ended:

30/6/2015

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report:

☒ This URL on our website: <http://www.eqt.com.au/corporate-governance.aspx>

The Corporate Governance Statement is accurate and up to date as at 25 September 2015 and has been approved by the board.

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

Date: 26 October, 2015

Name of Director or Secretary authorising lodgement: Philip Maddox, Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at www.egt.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at http://www.eqt.com.au/corporate-governance.aspx</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eqt.com.au/corporate-governance.aspx</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.eqf.com.au/corporate-governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at www.eqf.com.au (EQT's Annual Report)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: N/A</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eqf.com.au/corporate-governance.aspx</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at http://www.eqt.com.au/shareholders/company-announcements.aspx (EQT Annual Report) and http://www.eqt.com.au/about-us/company-directors.aspx ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at http://www.eqt.com.au/shareholders/company-announcements.aspx (EQT Annual Report)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at http://www.eqt.com.au/about-us/company-directors.aspx	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.eq1.com.au/corporate-governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eq1.com.au/shareholders/company-announcements.aspx (EQT Annual Report)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: N/A</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.egt.com.au/corporate-governance.aspx	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://www.egt.com.au/corporate-governance.aspx	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.egt.com.au/shareholders.aspx	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.eqg.com.au/corporate-governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eqg.com.au/shareholders/company-announcements.aspx (EQT Annual Report)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: N/A</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: N/A</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>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.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.eqt.com.au/corporate-governance.aspx</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eqt.com.au/shareholders/company-announcements.aspx (EQT Annual Report)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eqt.com.au/shareholders/company-announcements.aspx (EQT Annual Report)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at http://www.eqt.com.au/shareholders/company-announcements.aspx (EQT Annual Report)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>N/A</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>N/A</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



CORPORATE GOVERNANCE STATEMENT

FOR FINANCIAL YEAR ENDING 30 JUNE 2015

Equity Trustees Limited (Equity Trustees, EQT or the Company) operates within a highly regulated industry and the observance of good governance principles and practices are imperative to Equity Trustees' success. The directors are ultimately responsible for the corporate governance practices of the Company. The Equity Trustees Board (the Board) sets the tone of good governance.

Equity Trustees holds a Registrable Superannuation Entity (RSE) Licence L0003094 which enables it to act as trustee of registered superannuation funds and as such, is regulated by the Australian Prudential Regulation Authority (APRA). Equity Trustees also holds an Australian Financial Services Licence 240975 which in broad terms, enables it to provide financial advice, deal in securities, act as responsible entity of registered managed investment schemes, provide traditional trustee company services and also undertake a number of other associated services. As such, it is licensed by the Australian Securities & Investments Commission (ASIC). Equity Trustees is listed on the Australian Securities Exchange (ASX). Equity Trustees' governance obligations include compliance with the APRA Superannuation Prudential Framework, AFS licence obligations, Conduct and Disclosure obligations, ASX Listing Rules, the *Corporate Governance Principles and Recommendations (3rd Edition)* (ASX Principles) and Australian *Corporations Act 2001* (Cth) (Corporations Act) requirements.

The directors are responsible for the corporate governance practices of the Company. This statement sets out the corporate governance practices that were in operation throughout the financial year ending 30 June 2015, except where otherwise indicated.

ASX best practice recommendations

The ASX Listing Rules require listed entities to issue a statement disclosing the extent to which they have followed the recommendations set by the ASX Corporate Governance Council during the relevant reporting period.

As detailed in this Corporate Governance Statement, Equity Trustees considers that for the financial year to which this report relates, its governance practices comply with all of the ASX Principles unless where indicated.

Effective Date: 25 September 2015, which is the date of approval by the Equity Trustees Limited Board

Principle 1 – Lay solid foundations for management and oversight

The Board's Charter details the composition, roles and responsibilities of the Board and its relationship with management, to accomplish the Board's primary role of promoting the long-term health and prosperity of Equity Trustees.

A copy of the Board Charter and other governance disclosures referred to throughout this document are currently located on, or accessible from, the 'Corporate Governance' page on the Equity Trustees' website at www.eqt.com.au.

As set out in the Board Charter, the Board has delegated specific authorities to the Managing Director and various Board and Management Committees. The Management Committees operate under approved Charters with specific authorities delegated by the Board. Under the delegated authorities, the Board has reserved a number of discretions for itself or a Board Committee.

The Board's responsibilities include providing leadership and setting the strategic objectives of the Company, approving Business Plans, appointing and removing the Managing Director, ratifying the appointment of senior executives, providing input to and approval of corporate strategy, reviewing and monitoring risk and compliance frameworks, setting the risk appetite statement, monitoring of senior executives performance, reviewing and approving executive remuneration, capital management and monitoring and approval of financial reporting.

Management is responsible for implementing the Board's strategic objectives and operating within the risk appetite as set by the Board. Management are also responsible for all aspects of day-to-day running of operations.

The following Management Committees operated during the period:

- The **Management Investment Committee** was in place during the period. The objective of the Management Investment Committee is to oversee all investment related decisions made within the Equity Trustees Group (the Group) on behalf of EQT Common Funds, the Group superannuation funds, Equity Trustees clients and beneficiaries and in respect of Equity Trustees' and its subsidiaries' own investment portfolios. The Management Investment Committee ensures appropriate checks and balances are incorporated into the investment management process as well as the consistency of approach with regard to the investment philosophy.
- The **Trustee and Wealth Services Quality Assurance Committee** was in place during the period. The primary objective of this Committee is to have operational oversight of risk and compliance related issues within the Trustee and Wealth Services business unit of the Group.

- The primary functions of the **Due Diligence Committee** include monitoring due diligence across the Company, reviewing disclosure documents, considering proposed changes to compliance plans, constitutions and trust deeds for registered managed investment schemes and RSE's for which the Company acts as responsible entity or trustee and reviewing new business proposals for appointment as trustee or responsible entity, for recommendation to the Board.
- The **Trust Review Committee** formalises and monitors the decision making process for the exercise of discretions or applications of power by the Company, where it acts in its capacity as an agent, executor or traditional trustee.
- The **Project Advisory Committee** operated during the period. Its main functions are to provide governance, oversight and guidance in relation to the Group's Project Management Office. The Project Advisory Committee provides support to the business in relation to project applications, priorities, budgets and resourcing.

Director appointments

Before directors are appointed or new candidates are put forward for election, appropriate background checks are undertaken in line with the Group's policies. A number of matters are taken into consideration in determining whether the person meets both the fitness and propriety requirements to enable them to hold the position of director. Such matters include:

- the competence, character, experience, honesty, integrity and judgement required to perform the duties of the position
- the education and technical qualifications, knowledge and skills relevant to the duties and responsibilities of the organisation
- that the person is not a banned or disqualified person by ASIC, nor APRA.

The appointment or nomination process takes into consideration any conflicts of interest. Where a conflict of interest exists, it must not create a material risk that would preclude the person from being able to properly perform their director's duties.

When a candidate is standing either for election or re-election as a director, security holders are provided with information to assist them with making a decision as to whether or not to elect or re-elect a director.

Such information may include:

- biographical information such as relevant qualifications, experience and an outline of the skills they bring to the Board,
- details of any other material directorships currently held by the candidate,
- details as to whether the candidate will qualify as an independent director.

For each candidate standing for election or re-election, the Board will provide a statement as to whether it recommends that a candidate be elected or re-elected.

The Company has in place a written agreement with each director and senior executive setting out the terms of their appointment.

Company Secretary

The Company Secretary plays a key role in supporting the Board and its Board Committees. The Company Secretary is accountable directly to the Board, through the Chair, concerning all matters directly related to the Board's proper functioning. The appointment and removal of the Company Secretary is the responsibility of the Board.

Duties of the Company Secretary include:

- oversight of the Board and Committee policy and procedures
- advising the Board and its Committees on governance matters
- co-ordination of Board papers
- completion of Board minutes.

Diversity Policy

The Group considers 'diversity' as human qualities that are different from our own or those of groups to which we belong. Dimensions of diversity include but are not limited to: age, ethnicity, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, parental status, religious beliefs, work experience, and job classification.

A diverse workforce is of significant social and commercial value. Equity Trustees recognises the importance of being an inclusive employer. Gender diversity has been and continues to be a priority for the Group. The EQT Board's Remuneration, Human Resources & Nominations Committee (Remuneration Committee) is responsible for assessing the gender balance and diversity objectives of EQT on an annual basis, including the representation of women at all levels of the Company.

During FY 2015, the Company had a Diversity and Inclusion Policy in place which was approved by the Remuneration Committee. This Committee and the Board was committed to increasing the representation of women as opportunities permitted with particular emphasis at executive level.

In July 2014, the Group completed a material acquisition of Equity Trustees Wealth Services Limited (previously known as ANZ Trustees). This acquisition, the subsequent organisational restructure and business growth resulted in the total number of employees in the Group growing by a net 46 employees. The representation of women at the executive level remained unchanged.

As at 30 June 2015, the proportion of women employed by the Group at each level is:

Non-Executive Directors	30%
Executive*	11%
Senior Management**	52%
Company Wide	55%

* 'Executive' refers to the Company's Group Leadership Team (including the Managing Director) whose members report directly to the Managing Director.

** 'Senior Management' refers to managers who are two to three reporting levels below the Managing Director in the management hierarchy.

EQT aims to increase the proportion of women in Executive roles and achieve the objective of 30% female representation in these roles by 2018.

Level	Current %	2018 Target %
Non-Executive Directors	30%	30%
Executive	11%	30%
Senior Management	52%	50%
Organisation	55%	50%

The Company's Diversity Policy is available from the Company's website www.eqt.com.au.

Board performance

The Board monitors its performance and composition on an ongoing basis, as well as the performance of its Committees, individual independent directors and the Managing Director. The Chairman is responsible for monitoring and providing feedback to individual directors. Each director is also subject to peer review by fellow directors before endorsement to stand for re-election.

On a triennial basis, the Board submits itself to formal review by an external governance expert. The review was conducted by the Board Advisory Group Pty Ltd and was completed in August 2014. It concluded that ***Equity Trustees appears to have a well-functioning board and a good diversity of skills and experience.*** The next review is due to take place in 2017.

The Board also keeps under review succession planning for the ongoing development of the Board. The Board has a current succession plan to provide for orderly renewal of the Board as retirements take place in the normal course in coming years. This ensures that there continues to be an appropriate mix of skills and experience. In relation to the appointment of new directors, focus is placed on the particular skills and experience which are most appropriate to the Company's objectives. Any appointee must meet appropriate ethical and reputation standards.

Executive performance evaluation and remuneration

Each executive, including the Managing Director, has business performance objectives which are linked to Company objectives. Each executive, excluding the Managing Director, is assessed against these objectives by the Managing Director. The assessment of the Managing Director is conducted by the Chairman after consultation with the Board. The performance criteria for each executive are set at the beginning of the year. Performance against financial criteria is reviewed monthly, with a performance review undertaken half-yearly and at the end of the period.

The Managing Director and the senior executives were all assessed against the performance criteria provided at the beginning of the year.

Executive remuneration packages include both fixed and incentive arrangements. The object of the Company's Executive Remuneration Policy is to reflect both short-term and long-term performance objectives and to align executive rewards with shareholder value. Please see the Remuneration Report included in the 2015 Annual Report for further information on executives' remuneration.

There is currently a short-term share-based payment plan for employees, known as the Employee Share Acquisition Plan (ESAP). ESAP may be activated by the Board after considering the financial performance of the Company for the preceding financial year. If activated, employees receive an annual allocation of no more than \$1,000 worth of shares in the Company at no cost. Long-term executive remuneration is based on a share plan in accordance with the Executive Performance Share Plan 1999 (the Plan). This Plan was approved at the 1999 Annual General Meeting of the Company. Executive participation is approved by the Board via the Remuneration Committee each year.

Principle 2 – Structure the Board to add value

The Board's Remuneration Committee is in place and the Committee must consist of at least three members who are non-executive members.

The Committee is responsible for establishing the principles and procedures by which directors will be appointed, or re-elected, to the Board.

The Committee will make recommendations to the Board regarding:

- the appointment of new directors and the re-election of existing directors
- succession planning for the Board and the Managing Director
- processes for the evaluation of the performance of the Board
- changes to the composition of the Board to ensure sound corporate governance and, in particular, to retain and promote an appropriate balance of skills, knowledge, experience, independence and diversity.

The Committee is chaired by an independent director. The Remuneration Committee operates in accordance with a Charter. The Charter can be found at www.eqt.com.au. The current members of the Remuneration Committee can be found in the 2015 Annual Report or online at www.eqt.com.au.

Information about the number of times the Committee met during the FY 2015, the members of the Committee and the individual attendances can be found in the current Annual Report or online at www.eqt.com.au.

Skills, experience and expertise

The Company maintains a comprehensive understanding of the diversity of the skills and expertise that current directors bring to the Board.

The skills matrix that has been developed for the Company seeks to cover three key areas which include:

- desired experience in and knowledge of the industry in which the Company operates
- governance knowledge and understanding all directors should possess or develop
- key technical and professional skills and specialist knowledge.

It seeks to maintain a broad range of relevant skills, experience and expertise at Board level. Amongst other things, these skills, experience and expertise include relevant financial services industry experience and management experience and expertise. These attributes are considered on the appointment of any new director.

In the event of a director leaving the Board, the Company would be able to identify the core skills and experience needed for future directors and identify those needs in the recruiting process, to ensure that an appropriate mix is maintained.

Training and development needs can be identified and discussed with individual directors and the Board as a whole. From these discussions, any educational needs can be addressed.

The Board does and should continue to engage external advisers to supplement the current comprehensive skills and expertise, as well as to address any perceived gaps they may be cognisant of when having to consider specific one-off issues that need to be considered by the Board.

The results of the 2015 Skills Matrix assessment demonstrates that the Board has an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities, to serve the interests of all shareholders and to add value to the Company.

The EQT Board Skills Matrix is located on the website at www.eqt.com.au.

Independent directors

As at the date of this Statement, the Board is comprised of eight directors, seven of whom are independent non-executive directors and one executive director. The names, details and length of service of all of the directors and whether they are executive or non-executive can be found in the 2015 Annual Report, under Board of Directors' Profiles and also on the website at www.eqt.com.au.

Equity Trustees recognises that independent directors are important in providing assurance to security holders that the Board is properly fulfilling its responsibilities. The Company considers all relevant circumstances in determining whether a director is independent, including the following:

- Company shares owned directly or indirectly by the director
- employment by the Company (or its associates) of the director (or a family member) either currently, or in the past
- business relationships between the Company (or associates) and the director, a family member or business entity associated with the director or with service providers in whom the director has an interest
- any material contractual relationship with the Company or its associates other than as a director
- any other interest or relationship which could interfere with the director's ability to act in the best interests of the Company
- the tenure of the director with the Company, such that their independence is not compromised.

Following consideration of the above, the Board considers all non-executive directors to be independent.

Relationships and interests

At each Board meeting, directors are required to disclose any matters that may give rise to a potential or actual conflict of interest in relation to the business being considered by the Board. Any matters that are declared by a director are recorded. Depending on the interest declared, the Chairman may direct that the relevant director temporarily leave the meeting, or remain and either participate in, or abstain from, any discussion or decision on the relevant business.

The Board encourages directors to acquire shares in the Company. It believes that this assists in aligning the interests of directors with other shareholders.

Other than remuneration paid to the Managing Director, director's fees and entitlements paid to non-executive directors, there are no material relationships between the Company and any director.

Details of the skills, experience, relevant expertise and terms of office of the directors are set out in the 2015 Annual Report under the Directors' Report. The Board carries out its responsibilities in accordance with the following mandate:

- at least two-thirds of the Board should be made up of independent non-executive directors
- the Chairman of the Board should be an independent non-executive director
- the directors should possess a broad range of skills, qualifications and experience
- the Board should meet at least on a monthly basis
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each director prior to that meeting.

Selection and appointment of directors

The selection and appointment of new directors is undertaken by the Board with the assistance of independent consultants as required. Potential candidates are considered on the basis of their skills and experience and how this will complement the current diversity, skills and experience of the Board.

Directors retire in rotation in accordance with the Company's constitution and the Corporations Act. Retiring directors may offer themselves for re-election at the relevant Annual General Meeting. New directors appointed to the Board undergo an induction process to familiarise themselves with Equity Trustees' operations and procedures, as well as its regulatory requirements. The induction process includes reference to the internal policies and training material of Equity Trustees, as well as briefings from the Board members and executives.

Directors will be required to maintain a register of all training undertaken. Training will ensure that directors are able to update their skills, expertise, knowledge and competence to undertake and fulfil their particular duties.

Independent professional advice

With the prior approval of the Chairman, each director has the right to seek reasonable independent legal and other professional advice at the Company's expense concerning any aspect of Equity Trustees' operations or undertakings, in order to properly fulfil their duties and responsibilities as a director.

Period in office

Please see the Directors' Report in the 2015 Annual Report for the date of appointment of each director.

Principle 3 – Act ethically and responsibly

Code of conduct

Equity Trustees is committed to maintaining high standards of integrity and conducting its business in accordance with high standards of ethical behaviour. As part of this commitment, the Board has an established Code of Conduct and Ethics which is applicable to directors, senior executives and employees, and its controlled entities. The Code of Conduct and Ethics sets out the ethical and behavioural expectations across the organisation. This ensures a culture of good governance is continuously observed.

The Code of Conduct and Ethics outlines the organisation's values to be:

- Honest
- Ethical
- Accountable
- High performers
- Respectful

The Code can be found at www.eqt.com.au.

Further, the Board also promotes good conduct and practices through its policies and procedures. This includes the following:

- acting with honesty and integrity and in the best interests of customers
- promoting disclosure of relevant and useful information to customers so as to enable them to make informed decisions
- promoting the delivery of trustworthy, high quality and efficient trustee and investment services
- operating the business in a professional manner, acting at all times with the due care, skill and diligence required of a licensed trustee company
- observing sound business practices and ensuring, amongst other things, that the Company has regard to relevant industry standards and policies and has adequate and properly documented plans, controls and maintenance mechanisms implemented at all levels of business
- respecting and preserving the privacy of customers and confidentiality of their affairs
- providing clearly expressed terms and conditions to its customers
- making full disclosure of any fee charged or commission to be received by the Company. Statements detailing account transactions are sent to clients in accordance with legislative requirements
- having an internal dispute resolution process which provides for a fair and timely method of handling disputes, utilising appropriate external dispute resolution processes, such as those prescribed under legislation (where relevant) and utilising external, impartial mediation when complaints may be otherwise unresolved.

Dealing in the Company's securities

Equity Trustees has implemented a Securities Dealing Policy which provides guidance for directors and employees regarding the acquisition and disposal of EQT securities. Whilst directors and employees are encouraged to be long-term holders of EQT securities, it is important that care is taken in the timing of any acquisition or disposal of securities in EQT.

In particular, the Policy notes that the only appropriate time for directors and employees (and their immediate family members and any person or entity over which they have a degree of control or influence) to acquire, dispose of, or engage in other dealings in EQT securities is when they are not in possession of price sensitive information which is not generally available to the market.

In addition, to avoid any adverse inference being drawn as to unfair dealing, the Policy provides that directors and employees should not deal in EQT securities during the Black-out Periods, which are defined as being the two months immediately before and the next full business day after, the release of Equity Trustees' half-yearly or yearly results and, the two weeks immediately before and the next full business day after, Equity Trustees' Annual General Meeting.

Directors and employees of Equity Trustees are prohibited from acquiring, disposing or engaging in other dealings in securities in EQT when they are in possession of price sensitive information relating to the Company which is not generally available to the market.

All dealings in shares of the Company by directors are promptly notified to the ASX.

A copy of the EQT Securities Dealing Policy is located at www.eqt.com.au and has been lodged with the ASX.

Using Company securities as collateral

Under the Securities Dealing Policy, directors and employees of Equity Trustees are required to exercise care if borrowing monies to purchase EQT securities or offering EQT securities held by them as collateral, to ensure that their obligations under the borrowing arrangements do not and cannot, conflict with their obligations under the Policy. In particular, unless a particular arrangement has been approved by the Board, directors and employees are not permitted to enter into arrangements such as margin loans or arrangements involving EQT securities being provided as collateral to secure repayment of a loan, where the lender is granted a right to sell, or compel the sale of, the person's EQT securities at any time when the Policy may prohibit the person from dealing in the securities.

Under the Policy, Equity Trustees directors and employees are required to advise the Company Secretary of any arrangements to which they, or a connected person, are a party, involving EQT securities being used as collateral to secure repayment of a loan or other financial accommodation.

If a particular arrangement has been approved by the Board and, the EQT securities held as collateral to secure a loan represent 5% or more of the Company's issued share capital, then a notice is to be issued to the ASX outlining the arrangements.

Principle 4 – Safeguard integrity in corporate reporting

Board Audit & Compliance Committee

The Board operates an Audit & Compliance Committee (A&CC) which is consistent with Principle 4 of this Statement. The Committee consists of at least three directors, all of whom are independent non-executive directors. The Committee is also chaired by an independent chair, who is not a chair of the Board. The current members of the A&CC are:

- **Kevin J Eley, Chairman** – appointed to Committee 25 November 2011, appointed Chairman 1 January 2015
- **David F Groves** – appointed 1 January 2002
- **Anne M O'Donnell** – appointed 1 December 2010
- **Michael J O'Brien** – appointed 28 July 2014

Information about the members of the Committee, their relevant qualifications and experience, the number of times the Committee met throughout the period and the individual attendances of members at those meetings are set out in the Directors' Report in the 2015 Annual Report and on the website at www.egt.com.au.

The A&CC is responsible for assisting the Board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, risk management and internal control systems.

The A&CC operates under a formal Charter which sets out various matters including its objectives, duties and responsibilities and membership requirements. The Committee's Charter is available from the Company's website www.egt.com.au. It provides a forum for the effective communication between the Board and external auditors.

The A&CC reviews matters including:

- the annual and half-year financial statements prior to their approval by the Board
- the effectiveness of processes and systems of internal control
- the appointment of external auditors
- the efficiency and effectiveness of the internal and external audit functions, including a review of the respective audit plans
- the consideration, approval and recommendations to the Board regarding any Company policies presented to the A&CC for its deliberation
- compliance by Equity Trustees with compliance plans developed for registered managed investment schemes for which the Company acts as responsible entity.

The A&CC generally invites the Managing Director, Chief Risk Officer, Chief Financial Officer, relevant responsible managers and the auditors, internal and external, to attend its meetings. The A&CC also meets with and receives regular reports from, the internal and external auditors and the Chief Risk Officer concerning any matters that arise in connection with the performance of their respective roles, including the adequacy of internal controls.

Financial reporting

To support the Company's 2015 financial reports, the Managing Director and Chief Financial Officer have confirmed in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and that operational results are in accordance with relevant accounting standards. In addition they confirm to the Board in writing that:

- the statements are founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the Board
- the Company's risk management, internal compliance and control system is operating efficiently and effectively in all material respects.

The Company's external auditor attends the Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Principle 5 – Make timely and balanced disclosure

The Company has in place effective external disclosure procedures including a Continuous Disclosure Policy which seeks to ensure that:

- the Company complies with its requirements of the continuous disclosure obligations under the Listing Rules and the Corporations Act
- there is equal and timely disclosure of the Company's activities to shareholders and the market in accordance with the Company's legal and regulatory obligations
- all stakeholders (including security holders, the market and other interested parties) have an equal opportunity to receive and obtain externally available information issued by the Company.

Equity Trustees' Continuous Disclosure Policy is located on the website at www.eqt.com.au.

The Company is committed to the promotion of investor confidence by ensuring that trading in its securities takes place in an informed market.

The Company provides regular updates on its financial position and performance to the market, via the ASX. It regularly reviews the Shareholder Register and provides relevant shareholder information in its Annual Report. The Company maintains and periodically updates corporate governance information on its website.

In making information available, Equity Trustees seeks to adopt a balanced approach. This includes providing all factual information in a manner that will not mislead the reader.

The Board and the executive group of the Company are fully aware of the obligation to comply with the ASX Listing Rules.

The Board has specific responsibility for disclosures in relation to the following matters:

- Financial results
- Dividends
- Profit outlooks
- Resignations and appointments of directors
- Key strategic decisions.

Principle 6 – Respect the rights of security holders

Communication to shareholders and the market

The Board is committed to effective communication with its security holders and the market and believes that security holders should be fully informed in a timely manner of major business events that may influence the Company and its businesses.

Security holders have the right to attend the Company's Annual General Meeting and are encouraged to participate at these meetings.

Equity Trustees website

The Equity Trustees website www.eqt.com.au has a clearly labelled 'Corporate Governance' menu item in the top navigation of the Company's home page, providing easy access to all relevant information about our corporate governance processes, policies and structures. This includes a link to a page (also accessible in our 'About us' section) featuring details about each of our directors' (names, photographs and brief biographical information). Our senior executive team is not currently featured on this page, but will be included in the same detail on our new website (currently undergoing revision and due for launch by the end of the 2015 calendar year).

Also available via the side navigation from the Corporate Governance page:

- the Equity Trustees Board Charter, Constitution and our Code of Conduct and Ethics
- other Board Committee Charters – including the Remuneration Committee Charter, the A&CC Charter, Board Risk Committee
- corporate governance policies including disclosures, our privacy statement and policies for proxy voting, complaints handling, unit pricing discretions, continuous disclosure and securities dealing.

Our Shareholder section of our website includes a Company Announcements page which publishes the Annual Report, Shareholder Review and financial statements. This includes announcements to the ASX, copies of notices of meetings, key announcements and key date information and dividend information. Via these pages, copies of presentations and other materials are made available to shareholders. A specific page is devoted to information about the Annual General Meeting (including historical content).

Investor relations program

Equity Trustees regularly engages with its security holders. Key dates for engagement include half-year and end of year results reporting, with the Company's Managing Director undertaking a series of presentations in capital cities at each of these times and a Shareholder update released to relevant financial media. Equity Trustees also reports to the ASX as per its regulatory requirements.

Equity Trustees facilitates two way communications with investors by ensuring that communications, announcements and updates issued by our Company through the ASX, the media or on our website have a visible email address and phone number for inquiries about the item. This is separate to the two way communications available through our share registry service, Computershare.

Meetings with security holders

Equity Trustees recognises that meetings are an important forum for engagement and communication with shareholders. In addition to the Annual General Meeting the Company conducts regular series of meetings with significant shareholders and broking analysts, who can act as a conduit of information for both institutional and private shareholders, and endeavours to respond positively to queries or information requests from any shareholder, taking disclosure obligations appropriately into account when doing so. These regular meetings are divided between the presentation of content and results, and time to allow for questions and discussion. Senior executives devote substantial time to these activities. As future operations and developments allow, the Company will explore greater use of electronic dissemination of reporting results to enable access by shareholders unable to attend meetings in person. We are also reviewing the opportunities provided by web and telecommunications services and recognise their value in increasing engagement and accessibility for all shareholders.

Electronic communications

All security holders are provided with the option to receive eligible information electronically if they prefer, through our share registry service, Computershare. This includes information about shareholdings, updates as required by regulation and pending meetings of security holders. Communications issued via Computershare are in accordance with market best practice in print, digital and mobile communications. Options are provided for the distribution and receipt of information and updates, readability in a variety of formats, including print-friendly formats.

Principle 7 – Recognise and manage risk

Risk management

The Board is responsible for the Company's risk management framework and system of internal controls. The Board oversees the risk management framework itself and operational and financial aspects of the Company's activities. Through the A&CC, the Board considers the recommendations and advice of external and internal auditors and other external advisers on operational and financial risks faced by the Company.

The Board ensures that recommendations made by the external and internal auditors and other external advisers are investigated and, where necessary, immediate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties, the employment and training of suitably qualified and experienced personnel and, in conjunction with the recommendations of the A&CC, the scope and program of the internal audit function.

Board Risk Committee

The Board established a stand-alone Board Risk Committee (BRC) on 28 May 2015. Prior to this, risk oversight was undertaken by the Board.

The BRC operates under a formal Charter which sets out various matters including its objectives, duties and responsibilities and membership requirements. The BRC will consist of at least three members (including the Chair), all of whom are non-executive directors and a majority of whom are independent directors. The Chair will be an independent director.

The objectives of the Committee are as follows:

- ensure that management has an appropriate framework in place to identify and effectively manage risk
- oversight of the risk profile and risk management of the Company and its controlled subsidiaries, within the context of the Board determined risk appetite
- oversight of the implementation and review of risk management and internal compliance and control systems through the Group
- promotion of awareness of a risk based culture and the achievement of a balance between risk and reward for risks accepted.

The Committee's Charter is available from the Company's website www.eqt.com.au. The current members of the BRC are:

Appointed 28 May 2015

- JA (Tony) Killen OAM – Chairman
- David F Groves
- Alice JM Williams
- The Hon. Jeffrey G Kennett AC
- Anne M O'Donnell
- Kevin J Eley
- Michael J O'Brien

Appointed 4 August 2015

- Catherine Robson

The BRC has only met once during the reporting period.

A review of the Company's risk management framework is conducted annually to ensure it remains appropriate, effective and adequate to enable the Company to meet its legislative and regulatory obligations and strategic objectives.

A review of the Risk Management Framework was undertaken in September 2014.

The role of Internal Audit

The Company has established an Internal Audit function reporting to the A&CC which performs risk-based internal audit projects across the Group.

The Internal Audit function is a component of the Company's Risk Management Framework. The Company has adopted a 'Three Lines of Defence' methodology to risk management and the Internal Audit function sits within the Framework as the 'third line of defence'. The Company and its subsidiaries use an outsourced Internal Audit model. KPMG has been appointed as the Group's Internal Auditor.

An annual internal audit plan is developed in consultation with the Enterprise Risk function, with input from key business stakeholders. The internal audit plan aims to address areas of risk which are of concern to the business. The annual internal audit plan is then presented to the A&CC for approval. The plan is sufficiently flexible to cater for emerging risks and changes in the business environment. The program is risk based, with the Board, through the A&CC, receiving regular reports on the Company's internal control systems.

To ensure that internal audit projects are consistent and in line with industry good practice, projects are conducted utilising KPMG Internal Audit Methodology, which is aligned to the Institute of Internal Audit Standards in Australia.

External auditors

The A&CC reviews the adequacy of the external audit arrangements including the scope and quality of the audit. Where appropriate, the A&CC makes a recommendation to the Board that tenders be obtained from recognised and well-regarded accounting and auditing firms to conduct future audits.

Economic, environmental and social sustainability risks

The Company believes it does not have a material exposure to economic, environmental and social sustainability risks.

Principle 8 – Remunerate fairly and responsibly

This Principle relates to the remuneration of directors and senior executives.

The Board has an established Remuneration Committee. The Remuneration Committee Charter was reviewed, revised and approved by the Board in May 2015.

The Charter sets out various matters including its objectives, duties and responsibilities and membership requirements. The Remuneration Committee will consist of at least three members who are independent directors. The Chair will be an independent director.

The Committee's Charter is available from the Company's website www.eqt.com.au.

The objectives of the Remuneration Committee as prescribed in the Charter are:

- to assist the Board of Directors of Equity Trustees Limited in fulfilling its responsibilities regarding human resources matters generally including remuneration
- to seek and nominate qualified candidates for election or appointment to Equity Trustees' Board of Directors.

The Remuneration Committee acts on behalf of the Board and Shareholders to provide non-executive oversight of the Company's remuneration and human resource policies and practices.

The Remuneration Committee seeks the following outcomes:

- effective policies, processes and practices for rewarding executives and directors and for succession management.
- the Company's remuneration and human resource practices support the business objectives by enabling the Company to attract and retain executives and directors who will add value to the Company.
- the reward programs are fair and reasonable and managed with integrity and in compliance with statutory obligations, good governance principles and the Company's Code of Conduct.
- to identify or develop a pool of potential directorial candidates for consideration in the event of a vacancy on the Board of Directors.
- to ensure the Board of Directors has members with the required level of integrity, leadership skills and competency required to direct and oversee that the Company is managed in the best interests of its shareholders, customers and employees.

In determining remuneration, the Board has regard to prevailing market levels, including remuneration surveys, to attract and retain directors and executives of high calibre to facilitate the efficient and effective management of the Company's operations.

To assist in performing its duties and making recommendations to the Board, the Remuneration Committee seeks independent advice from external consultants on various remuneration related matters. The Remuneration Committee follows protocols around the engagement and use of external remuneration consultants to ensure compliance with the relevant executive remuneration legislation.

Particulars concerning directors' and executives' remuneration are set out in the 2015 Annual Report under the Financial Statements and Remuneration Report. Currently directors are only entitled to their directors' fee and superannuation allowance. However, some directors have an entitlement to other retirement allowances which are no longer made available by the Company. Full details of the directors' retiring allowances are contained in the Financial Statements and Remuneration Report. Non-executive directors are not eligible for incentive based remuneration.

The independent non-executive members of the Remuneration Committee are:

Alice J M Williams

Appointed 29 July 2011

Appointed Chairman 12 August 2011

The Hon. Jeffrey G Kennett AC

Appointed 1 September 2008

Anne O'Donnell

Appointed 1 December 2010

David F Groves

Appointed 1 January 2015

Attendance at meetings, qualifications and experience of the members of the Committee, are contained in the 2015 Annual Report under the Directors' Report.

Non-executive directors' fees are determined by the Board within limits approved by shareholders. At the Annual General Meeting of the Company held 26 October 2012, shareholders approved an aggregate limit of fees of \$900,000.

During FY 2015 the Remuneration Committee met on six occasions, attendance is as follows:

Date	Killen	Williams	Kennett	Groves	O'Donnell
17/07/2014	✓	✓	✓	na	na
11/08/2014	✓	✓	✓	na	na
18/09/2014	✓	✓	✓	na	na
04/12/2014	✓	✓	✓	na	na
19/03/2015	na	✓	✓	✓	✓
21/05/2015	na	✓	✓	✓	X
23/06/2015	na	✓	✓	✓	✓
Total	4	7	7	3	2

The Remuneration Report (page 7 of the Annual Report) describes the remuneration policy and practices for executive remuneration.

The *Executive Performance Share Plan 1999 Rules* outlines the equity-based remuneration scheme for executives and is described in detail on pages 11 to 12 of the Annual Report. The use of hedging or derivative technique is not permitted until shares are released from the forfeiture condition. If hedging or derivative techniques are used during the period when there is still a forfeiture condition in place, then the shares are forfeited. The EQT Securities Dealing Policy also makes reference to the ban on hedging or derivative techniques and applies to all Equity Trustees employees.

Equity Trustees Limited

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