

Corporate Governance Statement

5 APRIL 2017

APPROACH TO GOVERNANCE

Tap Oil Limited (**Tap**) is committed to conducting business in accordance with a high standard of corporate governance. The Board considers that good corporate governance is important to the creation of shareholder value and also assists in delivering against stakeholder expectations.

This Corporate Governance Statement outlines the key principles and practices the Board has adopted for its corporate governance framework. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and developments in corporate governance.

In establishing its corporate governance framework, the Board has considered and reports against the Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (“ASX Corporate Governance Principles”).

This Corporate Governance Statement summarises the corporate governance practices and procedures that were in place throughout the financial year commencing 1 January 2016 to the date of this statement. In addition to the information contained in this statement, the Company’s website (www.tapoil.com.au) contains a dedicated corporate governance section which includes copies of the key corporate governance policies adopted by the Company.

This Corporate Governance Statement was approved by the Board and is current as at 5 April 2017.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 Role of Board and Management

The Constitution provides that the business of the Company is to be managed by or under the direction of the Board. The roles and responsibilities of the Board are formalised in the Board Charter. The Board considers that its prime responsibility is to oversee the business activities and management of Tap and its subsidiaries (the **Group**) for the benefit of shareholders. An extract from the Board Charter listing the Board’s responsibilities is set out below:

RESPONSIBILITIES OF THE BOARD OF TAP OIL LIMITED

The key responsibilities of the Board of Tap are to:

- contribute to and approve strategy and performance objectives developed by management;
- contribute to the ideas for the growth of the Group;
- guide and monitor the businesses of the companies within the Group;
- establish corporate governance standards;
- ensure appropriate policies, procedures and systems are in place to:
 - (i) monitor performance and reporting; and
 - (ii) manage risk and internal control;
- monitor and oversee the work of the boards of subsidiaries of Tap, including monitoring the implementation by subsidiary boards of the policies and decisions of the Board;
- approve and monitor budgets, major investments and projects;

- facilitate the appointment of additional Directors as determined by the Nominations and Remuneration Committee (who shall stand for election at the next annual general meeting (**AGM**) of shareholders) and approve succession plans;
- review and monitor the findings of the Nominations and Remuneration Committee in respect of the composition of the Board and succession plans to ensure there is an appropriate mix of skills, expertise and experience;
- assess the performance of the Board as a whole and the contributions of individual Directors;
- appoint the Managing Director (or equivalent) and approve succession plans and remuneration of senior management;
- ensure compliance with applicable laws and regulations;
- establish ethical, environmental and health and safety standards for the Group's operations and people; and
- establish appropriate committees to assist the Board in the discharge of its responsibilities and oversee such committees.

Responsibility for management of the Group's business activities is delegated to the Managing Director (or equivalent), who is accountable to the Board. This responsibility and authority is subject to a delegation of authority. Matters beyond the scope of the delegation of authority require Board approval. The delegation of authority is reviewed regularly. An extract from the Board Charter listing management's responsibilities is set out below.

The Directors of the Company may seek independent professional advice at the expense of the Company when the advice is necessary for them to discharge their responsibilities as Directors. This is subject to prior written consent of the Chair (which is not to be unreasonably withheld).

RESPONSIBILITIES OF MANAGEMENT

The key responsibilities of management are to:

- contribute ideas for the growth and strategy of the Group;
- assume and exercise the powers and perform the duties from time to time vested in management by the Board;
- implement the decisions and strategies as determined by the Board;
- manage the day to day activities of the Group;
- develop corporate strategy, performance objectives, budgets, financial plans and proposals for major projects for consideration and approval by the Board;
- manage the financial and investment decisions of the Group;
- lead negotiations in relation to material transactions;
- manage staff recruitment, deployment and dismissals;
- manage investor relations and represent the Company in the community and with the government; and
- protect the assets of the Group.

A copy of the Board and Management Responsibilities document is available in the Corporate Governance Section of the Company's website.

Recommendation 1.2 Director Checks

The Company has in place a policy that it will endeavour to perform background checks on all potential Directors. These may include a check on a person's character, experience, education, criminal record and bankruptcy history. Potential Directors are required to provide their consent for the Company to conduct any background or other checks and also acknowledge that they will have sufficient time available to fulfil their responsibilities as a Director of the Company.

During the 2016 financial year, four new Directors were appointed to the Board and the Company confirms Director checks were completed in accordance with this policy.

Details pertaining to the skills, qualifications and experience of each Director are displayed on the Company's website and in the Directors' Report contained within the Company's Annual Report.

Newly appointed Directors must stand for election at the next AGM of the Company. The Notice of Meeting for the AGM provides Shareholders with information about each Director standing for election or re-election including details regarding the length of their tenure, relevant skill and experience.

Recommendation 1.3 Written Agreement with each Director and Senior Executive

All Directors are engaged by the Company under letters of appointment and senior management are engaged under executive service contracts. These address the roles and responsibilities of the individual.

Details of the letters of appointment and executive service contracts for senior management are provided in the Remuneration Report within the Annual Report.

Recommendation 1.4 Company Secretary

The appointment and removal of a Company Secretary is a matter for decision by the Board. The Company Secretary is accountable directly to the Board (through the Chairman) on all matters to do with the proper functioning of the Board. This arrangement is formalised in the Company Secretary's services contract. On 30 June 2016, Ms Michelle Ryan resigned from the position of Company Secretary, with Mr Chris Bath assuming the responsibilities of Company Secretary. Further details of the Company Secretary are set out in the Annual Report.

Recommendation 1.5 Diversity Policy

The Company has adopted a Diversity Policy, a copy of which is available on the Company's website, which aims to develop a diverse and flexible workforce that possesses the required expertise and competence to achieve the Company's strategic objectives. This involves recognising and valuing the unique contribution people can make because of their individual backgrounds, different skills, experiences and perspectives. Diversity may result from a range of factors including gender, ethnicity, religion, culture, language, sexual orientation, disability and age.

The Diversity Policy includes a requirement for the Board to set measurable diversity objectives and monitor the Company's progress in achieving them. However given the Company's current size, the Board has opted not to set specific measurable objectives at this stage. Whilst the Board of the Company endorses the concept of gender diversity, until the Company's size has grown to a point where fully implementing specific measurable objectives will become more meaningful, the Company will, in accordance with its Diversity Policy, continue to recruit the best person for each role, regardless of gender, ethnicity, age, relationship status or any other irrelevant factor not applicable to the position.

The following table shows the number of men and women across the organisation as at 31 December 2016.

	Total	No. of Men	% Men	No. of Women	% Women
Board¹	5	4	80%	1	20%
Management²	2	2	100%	0	0%
Employees³	7	2	29%	5	71%

1 Including Managing Director/CEO and excluding Alternate Director

2 Management is defined as those employees who are key management personnel but not board members

3 Excluding Managing Director/CEO and Management (not an FTE basis)

Recommendation 1.6 Board Performance Assessment

Improvement in Board processes and effectiveness is a continuing objective and the primary purpose of Board evaluation is to identify ways to improve performance.

The Nominations and Remuneration Committee is responsible for developing a process for evaluating the performance of the Board as a whole. The evaluation is carried out internally and involves applying best practice criteria to the Board's responsibilities. The evaluation also takes into consideration benchmarking of progress towards goals set out in Tap's business plan and regular assessment of results compared with budgets and forecasts. Evaluations also consider the effectiveness of Board member interaction and the contributions made by individual Directors.

During the year, there were significant changes in the composition of the Board as part of a Board renewal process, with the appointment of Mr Tom Soulsby on 1 January 2016, Mr James Menzies, Mr Peter Mansell and Mr Frank Sreesangkom joining the Board on 27 May 2016 and Ms Andrea Hall joining the Board on 18 October 2016. All existing Directors on the Board at 31 December 2015 have retired or resigned during the year. Given this significant transition, the Nominations and Remuneration Committee did not conduct a performance evaluation of the Board and Directors during the 2016 financial year.

Recommendation 1.7 Performance Evaluation of Senior Management

The process for evaluating the performance of senior management (including the Managing Director (or equivalent)) is summarised in the remuneration report commencing on page 16 of the Directors' Report contained in the Annual Report. Annual performance reviews for the 2016 financial year have been undertaken in accordance with the process described in the Directors' Report.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The Company's Constitution provides for a minimum of three Directors and a maximum of ten Directors.

The Directors in office and the term of their appointment at the date of this Corporate Governance Statement are:

Name	Position	Date of Appointment
James Menzies	Executive Director (Chairman)	27 May 2016
Thomas Soulsby	Non-Executive Director	1 January 2016
Peter Mansell	Non-Executive Director	27 May 2016
Andrea Hall	Non-Executive Director	18 October 2016
Frank Sreesangkom	Non-Executive Director	27 May 2016

The Board has the ability under the Company's Constitution to delegate its powers and responsibilities to committees of the Board. The Board has established the following committees to assist in the discharge of its responsibilities:

- Audit & Risk Committee;
- Nominations & Remuneration Committee; and
- Reserves Committee.

Further details of these Committees are set out in this Statement.

Recommendation 2.1 Nominations Committee

During the 2016 financial year, the Board operated a Nominations Committee. On 24 January 2017, the Board resolved to combine the Nominations Committee and the Remuneration Committee into a single Nominations and Remunerations Committee. The Committee Charter is available on the Company's website.

The role of the Nominations and Remuneration Committee regarding nominations is to review Board composition, undertake Board succession planning and evaluate the performance of the Board, its Committees and Directors.

The Nomination and Remuneration Committee is currently comprised of the full Board, two members of which who are independent Directors, and three members who are not considered independent. The Committee is chaired by independent Director Mr Peter Mansell.

Details of the Nominations Committee meetings including the number of Committee meetings held and Director attendance can be found on page 14 of the Directors Report contained within the 2016 Annual Report.

Recommendation 2.2 Board Skills Matrix

The Company has in place a process to assist in identifying areas of focus and maintaining an appropriate and diverse mix in its membership by utilising a Board Skills Matrix. The Board Skills Matrix is reviewed by the Board annually.

The Board Skills Matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve for Board membership. As well as general skills expected for Board membership, the matrix includes skills or professional qualifications in areas such as law, risk and compliance, finance/accounting, resource industry experience, South East Asia experience, business development skills, debt and capital markets. Each of these areas is currently represented by the Board collectively. The Board benefits from a combination of the Directors' individual skills, experience and expertise in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds.

The Board is of the view that the current Directors possess an appropriate mix of skills, experience, expertise and knowledge to enable the Board to discharge its responsibilities, deliver the Company's corporate objectives and direct the Company in accordance with high standards of corporate governance.

Recommendation 2.3 Independent Directors

An independent director is defined in the Recommendations as a Director that is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The following Directors are considered independent:

- Mr Peter Mansell, Non-Executive Director (Appointed 27 May 2016)
- Ms Andrea Hall, Non-Executive Director (Appointed 18 October 2016)

Mr James Menzies is not considered an independent Director by virtue of his executive employment status as an Executive Chairman from 15 December 2016.

Mr Thomas Soulsby is not considered an independent Director because of his association with one of the Company's largest shareholders, Risco Energy Investments Pty Ltd.

Mr Frank Sreesangkom is not considered an independent Director because of his association as an Executive of Northern Gulf Petroleum Holdings, a major shareholder of the Company.

Recommendation 2.4 A majority of the Board should be Independent Directors

As set out above, the Board is currently not composed of a majority of independent Directors. Notwithstanding that a majority of the Board is not considered independent, the Board has formed the view that all Directors bring impartial judgement to all decision making and the Board as a whole can and does make decisions in the best interests of the Company and its security holders.

Details of the skills, length of tenure, experience and expertise relevant to the position held by each Director is set out in the Directors' Report within the Annual Report and also available on the Company's website.

Recommendation 2.5 The Chairman should be an Independent Director

Mr James Menzies was appointed Executive Chairman, effective 15 December 2016 and the Company therefore does not currently comply with Recommendation 2.5. The Board believes it is best positioned to determine appropriate Board leadership and whilst Mr Menzies executive status is not in accordance with the Recommendations, the Board believes the appointment is appropriate given the size and current circumstances of the Company. The Board will continue to review its leadership and governance structures in accordance with its policies.

Recommendation 2.6 Company Induction and Professional Development of Directors

The Company has a program for the induction of new Directors. This induction covers all aspects of the Company's operations so as to ensure that new Directors are able to fulfil their responsibilities and contribute effectively to Board decisions.

The Company provides appropriate resources for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors, including briefing Directors on any new developments that may impact the Company.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1 Code of Conduct

In pursuit of the highest ethical standards, the Company has adopted a Code of Conduct. The Code of Conduct establishes the standards of behaviour required of Directors and employees in the conduct of the Company's affairs.

The Code of Conduct is based on the following principles:

- respect for the law and acting accordingly;
- maintaining stringent financial controls;
- avoiding conflicts of interest;
- protecting the best interests of shareholders;
- using Tap's assets responsibly and in the best interests of Tap;
- acting with integrity, being fair and honest in dealings and treating other people with dignity; and
- being responsible for actions and accountable for the consequences.

Directors and employees have a responsibility to report any suspected non-compliance with the Code of Conduct.

Tap is committed to conducting its business fairly, honourably, with integrity and in compliance with the law in all jurisdictions where it operates, including all applicable anti-corruption and bribery laws. The Company has adopted an Anti-bribery and Corruption Policy, which prohibits Tap Directors, officers and employees from engaging in activity that constitutes bribery or corruption. The policy also sets out processes to reduce the risk of violations of the policy when dealing with third parties who are engaged to act for or on behalf of Tap. The policy is available for review on the Company's website. To adhere to this policy, Tap staff complete Anti-bribery and Corruption Training annually when the employee is identified as having a high risk of exposure

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 Audit and Risk Committee

The Board has established an Audit and Risk Committee with a charter that sets out its roles, responsibilities, composition, structure and membership requirements. The role of the Audit and Risk Committee is to assist the Board in its responsibilities to oversee the Company's financial reporting, compliance with legal and regulatory requirements, internal control structure, risk management system and internal and external audit functions. A copy of the Charter is available for review on the Company's website.

The Audit and Risk Committee is currently comprised of three Directors, two of whom are independent. The Chair of the Audit and Risk Committee, Ms Andrea Hall, is an independent Non-Executive Director.

Notwithstanding that all of the members of the Audit and Risk Committee are not independent, the Board has formed the view that all members bring impartial judgement to all decision making and the membership of the Audit and Risk Committee is appropriate given the current size and circumstances of the Company.

All members of the Audit & Risk Committee consider themselves to be financially literate and possess significant understanding of the industry in which the Company operates.

Further details pertaining to membership of the Audit and Risk Committee including each member's qualifications and attendance at Audit and Risk Committee meetings are set out in the Directors' Report included in the Annual Report.

Recommendation 4.2 Declarations from the CEO and CFO

The Chief Executive Officer and the Chief Financial Officer (or equivalents) are required to make a declaration in accordance with section 295A of the Corporations Act that, in their opinion, the financial records of the Company have been properly maintained and that the Company's financial reports comply with the appropriate accounting standards and present a true and fair view of the Company's financial position and performance. The CEO equivalent and the CFO gave the above declarations to the Board before it adopted the Company's 2016 half year and full year Financial Statements.

The CEO and the CFO have also stated in writing to the Board that their opinion is founded on a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 External Auditors

The Board ensures that a representative of the external auditor of the Company attends the AGM to allow shareholders to ask the external auditor any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 Continuous Disclosure Policy

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Company maintains a Continuous Disclosure Policy (a copy of which is available on the Company's website). The Continuous Disclosure Policy ensures that all price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner and that all information provided to the ASX is immediately available to shareholders and the market on the Company's website.

Analyst and Shareholder briefings are often conducted following the release of half-year results, full-year results and major announcements and, from time to time, briefings with major shareholders are conducted in order to promote a better understanding of the Company. In conducting briefings, the Company takes care to ensure that any price sensitive information included in the content of briefings has already been made available to all shareholders and the market.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 Information on Website

The Company provides information about itself and its governance to investors via its website and has a "Corporate Governance" landing page where all relevant corporate governance information can be accessed.

The Company's Constitution, Committee Charters and relevant Corporate Governance Policies are listed on the Corporate Governance landing page on the website.

The Company website also includes copies of its annual reports and financial statements, copies of its ASX announcements, copies of Notice of Meetings as well as an overview of the Company's business activities in appropriate areas of the website.

Recommendation 6.2 Investor Relations Program

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company.

The Company has an established investor relations program, designed to facilitate effective communication between the Company and investors. The Company actively engages with shareholders, meeting them on request and responding to any enquires that they make from time to time. In addition, there are ad hoc interactions with shareholders and stakeholders (i.e. sell-side and buy-side analysts and statutory authorities) on a frequent basis.

The Company's investor relations program works in tandem with our obligations under the Continuous Disclosure Policy which is described in detail above and a copy of which is available on the Company's website.

Recommendation 6.3 Participation at Meetings of Shareholders

The Company has policies and procedures in place which enable shareholders to receive the reports and participate in shareholder meetings by attendance or by written communication. The Board seeks to notify all shareholders so they can be fully informed for voting at the AGM. Shareholders can make an election to receive a copy of the Company's Annual Report by mail; otherwise the Annual Report is made available on the Company's website. If Shareholders are unable to attend the AGM, the Company provides them with a Proxy Form so that the Shareholder may appoint a proxy to vote on their behalf.

Shareholders are encouraged at AGMs to ask questions of Directors, senior management as well as the Company's external auditors (who are required to be in attendance). Shareholders are also given the opportunity to provide questions or comments ahead of the AGM, with a response being provided at the AGM where appropriate.

Recommendation 6.4 Electronic Communication

The Company has the capability to communicate with shareholders electronically through its website, email communications and share registry. Electronic contact details are provided on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 Risk Committee

The Company has an Audit and Risk Committee that oversees risk. The Charter of the Audit and Risk Committee is available on the Company's website.

The Audit and Risk Committee is composed of three Directors, two of whom are independent Non-Executive Directors, and is chaired by an independent Director, Ms Andrea Hall. Details pertaining to the Committee's membership and attendance at meetings is disclosed in the Directors' Report contained within the Annual Report.

The Managing Director (or equivalent) is accountable to the Board, through the Audit and Risk Committee, for the implementation of the risk management process and is ultimately responsible for the management of risks in the business.

The Board has adopted a formal Risk Management Policy and associated procedures so as to formalise the process of managing material business risks of the Company. A copy of the Risk Management Policy is available on the Company's website.

Recommendation 7.2 Annual Risk Review

The Risk Management Policy requires management to design and implement risk management processes and systems to identify and manage material business risks and report to the Board on whether those risks are being managed effectively.

The Board maintains policies and practices designed to identify and manage significant business risks, including:

- regular budgeting and financial reporting;
- procedures/controls to manage financial exposures and operational risks;
- procedures/controls to manage environmental and occupational health and safety matters;
- the Company's business plan;
- corporate strategy guidelines and procedures to review and approve the Company's strategic plans;
- reviewing oil price and currency hedging strategies and policy;
- insurance and risk management programs which are reviewed by the Board;

- prudential limitations procedures, which include Board approval for commitments or expenditures exceeding prescribed amounts; and
- Board approval to open bank accounts or incorporate any subsidiary.

The Board is regularly briefed and involved in discussions in relation to many of the material business risks facing the Company.

The risk management framework is reviewed at least annually by the Audit and Risk Committee and was reviewed during the year ended 31 December 2016.

Recommendation 7.3 Internal Audit

The Company does not have a formal internal audit function. The Audit and Risk Committee monitors the need for an internal audit function having regard to the size, geographic location and complexity of the Company's operations.

The Company's management periodically undertakes an internal review of financial systems and processes. The Audit and Risk Committee also considers reviews of specific areas and monitors the implementation of system improvements.

Recommendation 7.4 Sustainability Risks

In order to mitigate any material exposure to economic, environmental and social sustainability risks, the Board, assisted by the Audit and Risk Committee, has oversight of risk management and meet regularly to review and assess risks. The Company's financier has adopted the Equator Principles, a risk management framework developed by financial institutions for determining, assessing and managing environmental and social risk in projects. Through its financing arrangements and following the financier's due diligence, the Company is required to materially comply with the requirements of the Equator Principles.

The Company has an established suite of corporate governance charters and policies in place which apply to the Board and business practice. Copies of these charters and policies including a code of conduct are available on the Company's website. In addition to corporate governance policies, Tap has in place specific policies and procedures to prevent bribery and corruption and manage the giving and receiving of gifts and entertainment.

During 2016, the Company identified and addressed the following as material risks relating to economic, environmental and social sustainability:

- The decline in oil prices during 2016 had an adverse effect on the Company. To mitigate, the Company actively monitors oil price movements to ensure that it is managed within risk tolerance and finance facilities. The Company has also executed a moderate oil hedging programme to support the amount available under the Borrowing Base Debt Facility and to provide revenue certainty during 2016.
- Volatility and uncertainty in capital and debt markets can have a significant impact on the ability of the Company to fund its activities. The Company monitors and reviews cash flow forecasts on a regular basis, undertakes scenario analysis, monitors loan covenants and hedging programs.
- The majority of the Company's assets are held in joint venture with third parties where the joint venture is operated by the Company's joint venture partner. For example, Mubadala Petroleum is the operator of the Manora Oil field and G1/48 concession in the northern Gulf of Thailand. The Company has established processes in place for the review of work programs and budgets (including internal technical and commercial review by the Company). The Company endeavours to develop and maintain good working relationships with its joint venture partners and carefully considers any new partners. Management regularly monitors the performance of joint venture parties.

- The Company regularly monitors the operations of the Manora Oil field and the G1/48 concession in the northern Gulf of Thailand to mitigate operational and liability risks under the existing contractual and regulatory framework, given that it is not the operator and is not managing the day to day operations. This includes internally reviewing progress reports received from the Operator on operational matters (including drilling, production, Health, Safety, Security and the Environment). In addition, the Environmental Impact Assessment (EIA) for the Manora Oil Development contains proposed mitigation measures and a monitoring program of environmental, social and health impacts. The Operator also has in place active Environmental Management Plans and oil spill contingency plans.
- The Company is committed to maintaining a high standard of health, safety and environmental management and reporting as well as conducting its business in a manner that prevents injury or illness to employees, contractors and the community. The Company has policies, processes and procedures in place to mitigate such risk.
- The Company's projects in the northern Gulf of Thailand and Myanmar are subject to the risks associated with operating in those foreign countries such as economic, social or political instability or change. The Company monitors these ongoing risks, and government and community relations in those countries. During the year, Tap, in conjunction with the operator of its Thailand concession (Mubadala Petroleum), supported a range of community programs including mangrove plantings, education programs with a focus on scholarships, school facilities and school and community development and a community healthcare improvement project in collaboration with a local Fishery Association.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 Remuneration Committee

During the 2016 financial year, the Board operated a Remuneration Committee with a charter that sets out its roles, responsibilities, composition, structure and membership requirements. On 27 January 2017, the Board resolved to combine the Nominations Committee and the Remuneration Committee into a combined Nominations and Remunerations Committee. A copy of the Committee's charter is available on the Company's website.

The Nominations and Remuneration Committee is currently composed of the full Board, two members of which who are independent Directors, and three members who are not considered independent. The Committee is chaired by independent Director Mr Peter Mansell.

Further details pertaining to membership of the Nominations and Remuneration Committee including each member's qualifications and attendance at Nominations and Remuneration Committee meetings are set out in the Directors' Report included in the Annual Report.

Recommendation 8.2 Disclosure of Remuneration Policies and Practices

The role of the Nominations and Remuneration Committee regarding remuneration matters is to assist the Board to ensure that proper controls apply in the remuneration of Directors, management and employees. The Nominations and Remuneration Committee operates principally in a review and/or advisory capacity.

The Nominations and Remuneration Committee's role is to review and recommend remuneration for Directors, management and employees, review remuneration policies and practices, company incentive schemes and superannuation arrangements in accordance with the Nominations and Remuneration Committee Charter.

The Nominations and Remuneration Committee considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Company attracts, motivates and retains high quality people.

The ASX Listing Rules and the Company's Constitution require that the maximum aggregate amount of remuneration to be allocated among the Non-Executive Directors be approved by the shareholders in the general meeting. The current maximum aggregate amount of remuneration to be allocated among the Non-Executive Directors is \$500,000, as approved by shareholders on 30 April 2010. In proposing the maximum amount for consideration by shareholders, and in determining allocation, the Nominations and Remuneration Committee takes account of the time demands made on Directors and such factors as fees paid to Non-Executive Directors in comparable Australian companies.

Details of the remuneration policies and framework of the Company and the remuneration paid to Directors (Executive and Non-Executive) and management are set out in the remuneration report commencing on page 16 of the Directors' Report contained in the Company's 2016 Annual Report. Shareholders will be invited to consider and approve the Remuneration Report at the 2017 AGM.

Recommendation 8.3 Policy on Equity Based Remuneration Scheme

The Company has a Dealing in Securities Policy which applies to all Directors, employees, contractors and consultants of Tap. This policy provides a brief summary of the law on insider trading and other relevant laws and establishes a best practice procedure relating to dealing in securities that provides protection to both Tap and its personnel against the misuse of unpublished information which could materially affect the value of Tap securities.

In accordance with the Corporations Act, Tap personnel are prohibited from hedging Tap securities prior to the vesting of those securities or while those securities are subject to a holding lock or restriction on dealing under the terms of an employee incentive plan operated by the Company. This prohibition is contained in the Dealing in Securities Policy, a copy of which is available on the Company's website.

The Dealing in Securities Policy was reviewed during the year with a revised policy lodged with the ASX on 29 August 2016.

ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS (THIRD EDITION) CHECKLIST

The table below contains each of the ASX Corporate Governance Principles and Recommendations (third edition) and denotes whether the Company has complied with the relevant Recommendation. Further detail is also contained in the Appendix 4G – Key to Disclosures – Corporate Governance Council Principles and Recommendations, released to the ASX at the same time as this Annual Report.

		Complied
Principle 1 – Lay solid foundations for management and oversight		
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Yes</p> <p>Yes</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>Yes</p> <p>Yes</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes
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 the policy or a summary of it;</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>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>N/A</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>Yes</p> <p>Yes</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>	Yes

		Complied
	(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes
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,</p> <p>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 nominations 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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</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.	Yes
2.3	<p>A listed entity should disclose:</p> <p>(1) the names of the directors considered by the board to be independent directors;</p> <p>(2) 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</p> <p>(3) the length of service of each director.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
2.4	A majority of the board of a listed entity should be independent directors.	No
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.	No
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes
Principle 3 – Act ethically and responsibly		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Yes</p> <p>Yes</p>

		Complied
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, 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>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes
Principle 5 – Make timely and balanced disclosure		
5.1	<p>A listed entity should:</p> <p>(1) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(2) disclose that policy or a summary of it.</p>	<p>Yes</p> <p>Yes</p>
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.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes
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>	

		Complied
	(1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	Yes Yes Yes Yes Yes N/A
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes Yes
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes Yes
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes
Principle 8 – Remunerate fairly and responsibly		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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; and (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.	Yes Yes Yes Yes Yes N/A
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	Yes Yes