



ASX Announcement

27 September 2019

2019 Corporate Governance Statement and Appendix 4G

In accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3, Wellard Limited (**Wellard**) has released its 2018 Corporate Governance Statement and Appendix 4G.

Wellard's corporate governance policies can be found on its website, available at: <https://www.wellard.com.au/corporate/corporate-governance/>.

For further information:

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Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

Wellard Limited

ABN / ARBN

53 607 708 190

Financial year ended:

30/06/2019

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: <https://www.wellard.com.au/corporate/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 27 September 2019 and has been approved by the board.

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

Date: 27 September 2019

Name of Director authorising lodgement: John Stevenson

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: ☐ in our Corporate Governance Statement OR ☒ at https://www.wellard.com.au/corporate/corporate-governance/ ... 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): ☒ at https://www.wellard.com.au/corporate/corporate-governance/	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of our diversity policy or a summary of it: ☐ at <i>[insert location]</i> ... 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: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	The board of a listed entity should: (a) have a nomination 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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at https://www.wellard.com.au/corporate/corporate-governance/ ... and a copy of the charter of the committee: ☒ at https://www.wellard.com.au/corporate/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☐ in our Corporate Governance Statement OR ☒ at https://www.wellard.com.au/corporate/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at https://www.wellard.com.au/corporate/corporate-governance/ ... and a copy of the charter of the committee: ☒ at https://www.wellard.com.au/corporate/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☐ in our Corporate Governance Statement OR ☒ at https://www.wellard.com.au/corporate/corporate-governance/	☐ 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: ☒ at https://www.wellard.com.au/corporate/corporate-governance/	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of 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; 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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at https://www.wellard.com.au/corporate/corporate-governance/ ... and a copy of the charter of the committee: ☒ at https://www.wellard.com.au/corporate/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☒ at https://www.wellard.com.au/corporate/corporate-governance/ [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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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.	... 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at https://www.wellard.com.au/corporate/corporate-governance/ ... and a copy of the charter of the committee: at https://www.wellard.com.au/corporate/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement OR ☒ at https://www.wellard.com.au/corporate/corporate-governance/	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

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	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.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement



Wellard

Corporate Governance Statement

For the Financial Year Ending 30 June 2019

1 About

This Corporate Governance Statement is dated 27 September 2019 and has been approved by the Board of the Wellard Limited (ABN 53 607 708 190) (**Company**).

This Corporate Governance Statement discloses the extent to which the Company has, during the financial year ending 30 June 2019, followed the recommendations set by the ASX Corporate Governance Council in its publication, Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed for any part of the reporting period have been identified and reasons provided for not following them along with what (if any) alternative governance practises were adopted in lieu of the recommendation during that period.

The Company has adopted various Corporate Governance Policies, which provide the written terms of reference for the Company's corporate governance duties.

The Company's Corporate Governance Policies are available on the Company's website at <http://www.wellard.com.au>

2 Board & Sub-committee Composition

After the resignation of Mr. David Griffiths on 28 June 2018 (detailed in the Company's 2018 Corporate Governance statement), on 3 August 2018, Mr. John Klepec was appointed to the position of Executive Chairman. Mr. Klepec had formerly been a non-executive independent Director of the Board of Wellard Limited. Since his appointment, he is no longer considered non-executive or independent. Also on 3 August 2018, Mr. Fred Troncone resigned as a Director of the Company. He was an executive Director, and was not considered independent.

The Company has not appointed any new Directors. Mr. Philip Clausius is currently the only independent, non-executive Board Member. Accordingly, neither the Board nor any Board sub-committees comprise a majority of independent directors. The Company does not consider it appropriate to appoint new independent directors at this stage in its ongoing operational, financial and strategic restructure. The Company does not consider the cost of a larger Board or sub-committees to be appropriate at this time. The Board and each sub-committee conducts careful and constant reviews of any conflicts of interest, and has in place a Board Charter with rigorous guidelines in this regard.

The Company does not comply fully with some ASX Recommendations, including 2.1 (majority independent membership of Nomination Committee); 2.4 (majority independent membership of the Board); 2.5 (Independent Chairman); 4.1 (majority independent membership of Audit Committee); 7.1 (majority independent membership of Risk Committee); and 8.1 (majority independent membership of Remuneration Committee) for the financial year ending 30 June 2019 as set out in this 2019 Corporate Governance Statement.

Note that the Company combines its (i) Audit and Risk Committee; and (ii) its Remuneration and Nomination Committee.

3 Summary of Policies

Recommendation	Comply	Comment
Principle 1: Lay solid foundations for management oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	Yes	The Company's Board Charter is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following matters expressly reserved to the Board: - appointing the Board's Chair and the Company's Chief Executive Officer; - setting and monitoring the Company's strategic objectives; - approving and monitoring strategic and financial plans; - approving and monitoring annual budgets and business plans; - approving and monitoring major capital expenditure, capital management and all major corporate transactions, including the issue of securities; - approving financial reports and material external communications and reports in accordance with the Company's Continuous Disclosure Policy; - overseeing the integrity of accounting and corporate reporting systems, including the external audit; - appointing, re-appointing and removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Company's Audit and Risk Compliance Committee; and - determining the Company's dividend policy.

Recommendation	Comply	Comment
Recommendation 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 relevant to a decision on whether or not to elect or re-elect a Director.	Yes	The Company notes the following: - potential directors are required to complete a standardised process to confirm that candidate's qualifications, experience, history and character are suitable for the Company; and - information concerning each Director's qualifications, experience, other material directorships, terms of appointment and all other relevant material information are included in the Company's 2019 Annual Report, commencing on p. 14.
Recommendation 1.3 A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	
Recommendation 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	
Recommendation 1.5 A listed entity should: (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	Partially	The Company notes the following: - the Company has a diversity policy in accordance with the Recommendation; - the Company's Diversity Policy is available at https://www.wellard.com.au/corporate/corporate-governance/.

Recommendation	Comply	Comment
to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: (i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and (ii) either: (A) 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 (B) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.		- the Company did not set any measurable objectives for achieving gender diversity during FY2019. This was due to the Board's attention being focused on meeting the currently challenging market conditions; - accordingly, the Company has not disclosed measurable objectives for achieving gender diversity in accordance with the Recommendation; - the Company's Workplace Gender Equity Reports are available on the Company's website. - the Company is not a 'relevant employer' under the Workplace Gender Equality Act; and - the Board considers diversity to encompass a range of factors, including (but not limited to) gender, age, race, and an individual's culture, background and location.

Recommendation	Comply	Comment
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The charter of the Company's Remuneration and Nomination Committee is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - the Remuneration and Nomination Committee is responsible for scheduling formal performance reviews of the Board and its committees every financial year; - the Committee then makes a recommendation to the Board, which undertakes an evaluation process to review its own performance; and - in light of the Company's size and resources, together with the Company's attention being biased towards initiatives to address the currently challenging market conditions, the Company did not carry out a formal performance review of the Board and its committees in FY2019.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The charter of the Company's Remuneration and Nomination Committee is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - the Executive Chairman is responsible for assessing the performance of the Executive Management Team on an annual basis by measuring performance against key performance indicators; - for certain matters the Executive Chairman makes a recommendation to the Nomination and Remuneration Committee, which then considers and, where necessary, approves or denies those recommendations.

Recommendation	Comply	Comment
Principle 2: Structure the Board to add value		
Recommendation 2.1 The Board of a listed entity should: (a) have a nomination committee which: (b) has at least three members, a majority of whom are independent Directors; and (c) is chaired by an independent Director, and disclose: (d) the charter of the committee; (e) the members of the committee; and (f) 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. 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	Partial	The Board Charter is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - the Company's Board is chaired by Executive Director Mr. John Klepec. - The Board does not include a majority of independent Directors, and comprises 4 members: Mr John Klepec (non-independent), Mr Philip Clausius (independent), Mr. John Stevenson (non-independent) & Mr Kanda Lu (non-independent). - see page 27 of the Company's FY2019 Annual Report for the number of times the Board and its committees met throughout the period and the individual attendances of the members at those meetings. - All Directors are provided papers for and are invited to attend all Board and all Committee meetings. - Committee members or invitees are restricted or excluded from matters in which they have a conflict. - The Board access to external independent professional advice should it be required.

Recommendation	Comply	Comment
Recommendation 2.2 A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes	The Company notes the following: - the Board recognises that each Director will not necessarily possess experience in all areas relevant to the Company's operations, and so seeks to ensure that its membership includes an appropriate mix of directors with skills, knowledge and experience in agriculture, shipping, other relevant industry sectors, general management, legal and finance; and - set out in Schedule 1 is the Board Skills Matrix, which provides a summary of the skills and experience of the Directors.
Recommendation 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 of the ASX Corporate Governance Principles and Recommendations (3rd Edition), 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.	Yes	The Company notes the following: - Mr Philip Clausius is considered to be an independent director; and - the length of service of each Director is set out on page 30 of the Company's 2019 Annual Report.

Recommendation	Comply	Comment
Recommendation 2.4 A majority of the Board of a listed entity should be independent Directors.	No	The Board does not include a majority of independent Directors. The Company is continuing to evaluate its Board composition and may appoint additional non-executive directors should an appropriate candidate be identified, and when it has more significantly progressed its ongoing operational, financial and strategic restructure.
Recommendation 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	The Executive Chairman, Mr. John Klepec, is not independent, and is currently functioning as CEO.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	Yes	The Company's Board charter is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - the Executive Chairman, together with the Company Secretary, include educational materials in the majority of the Board's meeting materials. - The Executive Chairman consistently evaluates the skills and experience of the Company's directors and considers whether additional professional development programs are required to ensure the Board has an adequate mix of skills and experience; and - the Company Secretary implements an induction program for new directors.

Recommendation	Comply	Comment
Principle 3: Act ethically and responsibly		
Recommendation 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.	Yes	The Company's Code of Conduct can be accessed at https://www.wellard.com.au/corporate/corporate-governance/ .
Principle 4: Safeguard integrity in financial reporting		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (b) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (c) is chaired by an independent Directors, who is not the Chair of the Board, and disclose: (d) the charter of the committee; (e) the relevant qualifications and experience of the members of the committee; and (f) in relation to each reporting period the number of times the committee met throughout the	Partial	The Company's Audit and Risk Compliance Committee Charter can be accessed at https://www.wellard.com.au/corporate/corporate-governance/ . The Company notes the following: - the Company's Audit & Risk Committee comprised Mr John Klepec and Mr Philip Clausius. - The Committee does not include a majority of independent Directors, and comprises 2 members not 3. - the Company's Audit & Risk Committee is chaired by Mr John Klepec. - see pages 14 and 15 of the Company's FY2019 annual report for a summary of the Audit & Risk Committee Members' qualifications and experience, and page 26 for a summary of the number of times the Company's Audit & Risk Committee met throughout the period and the individual attendances of the members at those meetings. - All Directors are provided papers for and are invited to attend all meetings of the Company's Audit & Risk Compliance Committee

Recommendation	Comply	Comment
period and the individual attendances of the members at those meetings; or (g) 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 financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		- Committee members or invitees are restricted or excluded from matters in which they have a conflict. - The Committee Chairman holds qualifications and has experience which the Board considers appropriate and suitable for the role, and has access to external independent professional advice should it be required.
Recommendation 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 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 efficiently.	Yes	The board received the appropriate declaration from its Executive Chairman and CFO. The Board believes this is appropriate and that the recommendation is met.
Recommendation 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	

Recommendation	Comply	Comment
Principle 5: Make timely and balanced disclosure		
Recommendation 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.	Yes	The Company's Continuous Disclosure Policy can be accessed at https://www.wellard.com.au/corporate/corporate-governance/ .
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's Corporate Governance Policies are available at https://www.wellard.com.au/corporate/corporate-governance/ .
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company places significant importance on effective communication with shareholders and is committed to keeping them informed of all major developments that affect the Company. This information is communicated through: - the Company's Annual Report and Half-Year Financial Report; - the Company's announcements, which comply with continuous disclosure obligations in accordance with ASX Listing Rules; - market briefings to assist shareholders and stakeholders to understand key issues; - communications posted on the Company's website;

Recommendation	Comply	Comment
		- the Chairman's address at the Company's Annual General Meeting; - other Shareholder meetings; and - investor relations presentations / roadshows.
Recommendation 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	The Company notes the following: - the Company's website has a dedicated 'Investors' section that is updated regularly for the purpose of displaying all pertinent Company information, including media releases and presentations; - the Company facilitates and encourages participation at meetings of shareholders and all shareholders are encouraged to attend in person; and - the Company provides adequate opportunity for shareholders to post questions in advance of a meeting or ask questions at the end of each meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its share registry electronically.	Yes	Shareholders wishing to receive communications from and send communications to the Company and its share registry electronically should contact the Company's Share Registry, Link Market Services, on +61 1300 554 474.

Recommendation	Comply	Comment
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (b) has at least three members, a majority of whom are independent Directors; and (c) is chaired by an independent Director, and disclose: (d) the charter of the committee; (e) the members of the committee; and (f) 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. If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	Partial	The Company's Audit & Risk Compliance Committee Charter can be accessed at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - the Company's Audit & Risk Compliance Committee comprises Mr John Klepec and Mr Philip Clausius. - The Committee does not include a majority of independent Directors, and comprises 2 members not 3. - the Company's Audit & Risk Compliance Committee is chaired by Mr John Klepec. - see pages 14 and 15 of the Company's FY2019 annual report for a summary of the Audit & Risk Committee Members' qualifications and experience, and page 26 for a summary of the number of times the Company's Audit & Risk Committee met throughout the period and the individual attendances of the members at those meetings. - All Directors are provided papers for and are invited to attend all meetings of the Company's Audit & Risk Compliance Committee. - Committee members or invitees are restricted or excluded from matters in which they have a conflict. - The Committee Chairman holds qualifications and has experience which the Board considers appropriate and suitable for the role, and has access to external independent professional advice should it be required.

Recommendation	Comply	Comment
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework with management 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	The Company's Audit & Risk Compliance Committee Charter can be accessed at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - a role of the Audit & Risk Compliance Committee is to oversee risk; and - the Audit & Risk Compliance Committee undertook a review of the Company's risk management plan to ensure it is appropriate.
Recommendation 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.	Partial	In light of the Company's size and resources, together with the Company's attention being biased towards initiatives to address the ongoing challenging market conditions, the Company has adopted an internal audit function that utilises external consultants when required.
Recommendation 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	The Company has included a comprehensive summaries of the material risks relevant to the Company's business in various of its publicly released documents, including its 3 April 2017 offer document, and in the Company's 2019 Annual Report.

Recommendation	Comply	Comment
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The Board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent Director, and disclose (b) the charter of the committee; (c) the members of the committee; and (d) 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. 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.	Partial	The charter of the Company's Remuneration & Nomination Committee is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes the following: - the Company's Remuneration & Nomination Committee comprised Mr John Klepec and Mr Philip Clausius. - The Committee does not include a majority of independent Directors, and comprises 2 members not 3. - the Company's Remuneration and Nomination Committee is chaired by Mr Philip Clausius (Independent Director). - see page 26 of the Company's 2019 Annual Report for the number of times the committee met throughout the period and the individual attendances of the members at those meetings. - All Directors are provided papers for and are invited to attend all meetings of the Company's Remuneration & Nomination Committee - Committee members or invitees are restricted or excluded from matters in which they have a conflict. - The Committee Chairman has access to external independent professional advice should it be required
Recommendation 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	Yes	The charter of the Company's Remuneration and Nomination Committee is available at https://www.wellard.com.au/corporate/corporate-governance/.

Recommendation	Comply	Comment
other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.		
Recommendation 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	The Company's Employee Share Option Plan and Securities Trading Policy is available at https://www.wellard.com.au/corporate/corporate-governance/. The Company notes that participants are not permitted to enter into transactions that limit the economic risk of participating in the Company's equity based-remuneration scheme.

Schedule 1 – FY2019 Board Skills Matrix

Set out below is a summary of the relevant skills and experience of the Board.

