

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

YELLOW BRICK ROAD HOLDINGS LIMITED

ABN/ARBN

44 119 436 083

Financial year ended

30/06/2015

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

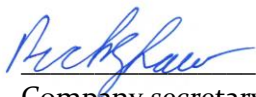
- ☐ these pages of our annual report: \_\_\_\_\_
- ☒ this URL on our website: [www.ybr.com.au/investor/corporategovernance.cfm](http://www.ybr.com.au/investor/corporategovernance.cfm)

The Corporate Governance Statement is accurate and up to date as at 31 August 2015 and has been approved by the board.

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

Date here: 31 August 2015

Sign here:



Company secretary

Print name: Richard Shaw

<sup>1</sup> 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.

<sup>2</sup> "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.

<sup>3</sup> 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.

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

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
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	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>  ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: www.ybr.com.au  ... and the information referred to in paragraphs (4) and	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>attendances of the members at those meetings; <b>OR</b></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>(5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2015 Annual Directors' Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location:  www.ybr.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders:  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at this location:  www.ybr.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b><u>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</u></b>			
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; <b>OR</b> (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): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>  ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location:  www.ybr.com.au  ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>  [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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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 we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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; <u>OR</u> (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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>  [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:  <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input checked="" type="checkbox"/> 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: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b><u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u></b>			
-	<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): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> 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: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Corporate Governance Statement

This Corporate Governance Statement of Yellow Brick Road Holdings Limited (the 'company') has been prepared in accordance with the 3<sup>rd</sup> Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles').

This statement has been approved by the company's Board of Directors ('Board') and is current as at 31 August 2015.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

<b>ASX Principles and Recommendations</b>	
<i><b>Principle 1: Lay solid foundations for management and oversight</b></i>	
<b>Recommendation 1.1</b> – Board and senior executive roles and responsibilities	Adopted
<b>Recommendation 1.2</b> – Appointment of directors	Adopted
<b>Recommendation 1.3</b> – Agreements with directors	Not adopted: Explanation provided
<b>Recommendation 1.4</b> - Company secretary to be accountable to board	Adopted
<b>Recommendation 1.5</b> - Diversity policy	Adopted
<b>Recommendation 1.6</b> – Board evaluation	Adopted
<b>Recommendation 1.7</b> – Performance evaluation	Adopted
<i><b>Principle 2: Structure the board to add value</b></i>	
<b>Recommendation 2.1</b> – Nomination Committee	Not adopted: Explanation provided
<b>Recommendation 2.2</b> – Board skills matrix	Adopted
<b>Recommendation 2.3</b> – Disclosure of independent Directors	Adopted

<b>Recommendation 2.4</b> - Majority of the board should be independent directors	Not adopted: Explanation provided
<b>Recommendation 2.5</b> – Independent chair	Not adopted: Explanation provided
<b>Recommendation 2.6</b> - Inducting and development of directors	Adopted
<b>Principle 3: Act ethically and responsibly</b>	
<b>Recommendation 3.1</b> – Code of conduct	Adopted
<b>Principle 4: Safeguard integrity in corporate reporting</b>	
<b>Recommendation 4.1</b> – Establish Audit committee	Adopted
<b>Recommendation 4.1</b> – Majority of Audit committee to be independent	Not adopted: Explanation provided
<b>Recommendation 4.2</b> – CEO and CFO representation on financial records and financial statements	Adopted
<b>Recommendation 4.3</b> – Auditor attendance at AGM	Adopted
<b>Principle 5: Make timely and balanced disclosure</b>	
<b>Recommendation 5.1</b> – Continuous disclosure policy	Adopted
<b>Principle 6: Respect the rights of security holders</b>	
<b>Recommendation 6.1</b> - A listed entity should provide information about itself and its governance to investors via its website	Adopted
<b>Recommendation 6.2</b> – Investor relations program	Adopted

<b>Recommendation 6.3</b> – Participation at meetings of security holders	Adopted
<b>Recommendation 6.4</b> – Electronic communication with registry	Adopted
<b>Principle 7: Recognise and manage risk</b>	
<b>Recommendation 7.1</b> – Establish Risk Committee	Adopted
<b>Recommendation 7.1</b> – Majority of Risk Committee to be independent	Not adopted: Explanation provided
<b>Recommendation 7.2</b> – Review of risk management framework	Adopted
<b>Recommendation 7.3</b> – Establish Internal audit function	Not adopted: Explanation provided
<b>Recommendation 7.4</b> - Material exposure to economic, environmental and social sustainability risks	Not adopted: Explanation provided
<b>Principle 8: Remunerate fairly and responsibly</b>	
<b>Recommendation 8.1</b> – Remuneration committee	Not adopted: Explanation provided
<b>Recommendation 8.2</b> – Disclosure of remuneration policies	Adopted
<b>Recommendation 8.3</b> – Establish policy on risk reduction by participants in equity-based remuneration schemes	Adopted

#### **Principle 1: Lay solid foundations for management and oversight**

The Board is ultimately accountable for the performance of the company and provides leadership and sets the strategic objectives of the company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and



downgrades, and significant closures.

The company has formalised the respective roles and responsibilities of the board and management in a Board Charter, which also includes the company's criteria for independence of directors. A copy of the Board Charter is available in the Corporate Governance section of the company's website at [www.ybr.com.au](http://www.ybr.com.au).

A board performance evaluation program has been designed to evaluate the performance of the board as a whole, individual directors and board committees. The program aims to evaluate performance at least once every two years and is scheduled to be conducted during the 2015-16 year. All evaluations have regard to the collective nature of board work, the operation of governance processes established in the company's charters and policies and the attainment of any goals set by the board.

The company has a formal established process for evaluating the performance of senior executives which involves a performance and development review cycle where responsibilities and performance objectives are defined and performance measured against these defined responsibilities and objectives and regular feedback is provided through structured performance review meetings. The performance of senior executives will be reviewed in the next financial period in accordance with this process. While a formal performance evaluation was not conducted during the period under review, informal meetings were held with senior executives and feedback on their performance was given to them during the period under review. The Company intends to conduct formal performance reviews during the 2015-16 year.

The company requires reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. Candidates for the role of non-executive directors are also required to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that they will have adequate time to fulfil his or her responsibilities as a non-executive director of the company.

The company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election in order to enable them to make a decision on whether or not to appoint or re-elect a director.

The Company enters into employment contracts with each newly employed senior executives, setting out in detail their terms of appointment and the responsibilities specifically delegated to them. The role, responsibilities and term of Director's appointment are set out in the Board Charter. No separate written agreement is executed by directors.

The Company Secretary is accountable directly to the Board through the Chairman on all governance matters and is accessible to all directors.

Diversity includes gender, age, ethnicity and cultural background. The company has an established a diversity policy which is available in the 'Corporate Governance' section of the company's website. The diversity policy includes a requirement that the board establish measurable objectives for achieving gender diversity, with progress in achieving these objectives assessed annually.

The company reports its measurable objectives set for the reporting period and its progress for achieving them as at 30 June 2015:

	Objective		Actual	
	Number	%	Number	%
Number of women employees in the whole organisation	77	52	77	52
Number of women in Senior Executive positions	6	30	5	25
Number of women on the Board	1	25	1	25

The company has set the following measurable objectives for 30 June 2016

	Objective	
	Number	%
Number of women employees in the whole organisation	77	52
Number of women in Senior Executive positions	6	30
Number of women on the Board	1	25

The table below outlines the proportions of women and men employed by the Company as at 30 June 2015:

	Women		Men	
	Number	%	Number	%
Senior Executives <sup>1</sup>	5	25	15	75
Employees	72	57	55	43
Board	1	25	3	75

The company has also established various internal policies designed to promote flexible work practices, including:

- A separate Equal Employment Opportunity and Harassment policy.
- An Internal Grievance Resolution Procedure which is designed to establish a consistent approach in dealing with conflicts in the workplace, internal complaints about the work environment, as well as issues of misconduct or poor performance.
- A Human Resources Program which includes policies designed to let parents balance their work, life and family responsibilities through the provision of flexible work hours.

### **Principle 2: Structure the board to add value**

Given the size of the board, a Nomination Committee has not been formed as required by recommendation 2.1. The board as a whole considers the composition of the board and appointment of new directors and identifies and considers suitable candidates to fill vacancies as they arise.

The Board does not actively manage succession planning and instead relies upon the Board's extensive networking capabilities and/or executive recruitment firms to identify appropriate candidates when a Board vacancy occurs or when a vacancy is otherwise envisaged. Attributes of candidates put forward will be considered for 'best-fit' to the needs of the Board which are assessed at the time of the vacancy. The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.

The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at the Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, risk, IT, HR, policy development, international business and customer relationship. External consultants with specialist knowledge may be brought in to address areas where this is an attribute deficiency in the Board.

The Board's skills matrix is used when recruiting new directors and assessing which skills need to be outsourced based on the attributes of the current Board members. The Board continuously monitors its collective skills and attributes to ensure it maintains the following skills and attributes in its membership:

<b>Skills and Attributes</b>
Other past and present executive or non-executive director roles on ASX listed companies
Other past and present executive or non-executive director roles on non-ASX listed companies
Governance – Committee member/Chair of Audit/Risk/Remuneration/Nomination Committees (past and present)
Senior management positions (past and present)
Experience and knowledge in the Financial services' industry
Risk Management
Health and Safety
Information technology
Marketing/Brand
Strategy - Management and growth of business, diversification, mergers and acquisitions
HR and Diversity

As at 30 June 2015, the Board believes that its membership adequately represents the required skills as set out in the matrix and therefore does not intend to seek any new or alternative candidates.

Details of the Board of directors, their appointment date, length of service, executive and independence status is as follows:

<sup>1</sup> Senior Executives includes all executives reporting directly to a member of Chief Executive steering committee

Director's name	Appointment date	Length of service	Executive Status	Independence status
Mark Bouris	11 February 2011	4 years	Executive	Not-independent
Adrian Bouris	11 February 2011	4 years	Non-Executive	Not-independent
Owen Williams	11 February 2011	4 years	Non-Executive	Independent
Melanie Kansil	23 September 2013	2 years	Non-Executive	Not-Independent

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed in the 'Information of directors' section in the Directors' Report released in conjunction with the company's annual reports and available on the company's website.

The board has one independent director (as defined by the ASX Principles) and three non-independent directors. As such, the company does not comply with the requirement that a majority of the board should be independent. The board believes that, given the size of the Company, the nature of its operations and the ability of all incumbent directors to bring an independent judgement to bear in Board deliberations, the current Board composition is appropriate for the Company in its present stage of development.

The company's Chairman Mark Bouris, does not meet the independence criteria set out in the ASX Corporate Governance Principles and Recommendations, however the roles of Chair and Chief Executive Officer have been separated in accordance with these Principles and Recommendations. Each director has the right to access all relevant information and subject to informing the Chairman, may seek independent professional advice from a suitably qualified advisor at the company's expense to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the board.

New directors undertake an induction program coordinated by the Company Secretary that briefs and informs the director on all relevant aspects of the company's operations and background.

### ***Principle 3: Act ethically and responsibly***

#### **Code of Conduct**

The company has an established Code of Conduct which sets out the company's key values and how they should be applied within the workplace and in dealings with those outside of the company. The Code of Conduct outlines the company's commitments, key values, responsibilities and compliance with the law. The board monitors implementation of the Code of Conduct. Any breach of compliance with the Code of Conduct is to be reported directly to the Company Secretary, the Chief Executive Officer, or the Chairman. Anyone breaching the Code of Conduct may be subject to disciplinary action, including termination.

#### **Securities Trading Policy**

The Securities Trading Policy ('policy') applies to all employees of the company. Employees may deal in the Company's securities when they are not in possession of inside information (as defined by the policy) only outside of the closed periods (as defined in policy). In addition, Restricted Persons (as defined in the policy), may deal in the Company's securities outside of closed periods only after complying with approval requirements as outlined in the Policy.

### ***Principle 4: Safeguard integrity in corporate reporting***

The company has an established Audit and Risk Committee. As at 30 June 2015 it comprised of three non-executive directors of whom one is independent as defined by the ASX Principles. The members of the Audit and Risk Committee are:

Director's Name	Executive Status	Independence Status
Owen Williams - Chair	Non-Executive Director	Independent
Adrian Bouris	Non-Executive Director	Not-independent
Melanie Kansil	Non-Executive Director	Not-independent

While the Committee composition does not comply with the ASX Principles which requires a majority of the Committee to be independent, given the size of the board, the board believes this is an optimum composition. All Audit & Risk Committee members consider themselves to be financially literate and have industry knowledge. The skills, experience

and expertise relevant to the position of each director who is a member of the Audit and Risk Committee as at the date of the annual report and details of their attendance at committee meetings are detailed in the 'Information of directors' section in the Directors' Report. The Audit and Risk Committee formally reports to the board after each of its meetings. Details of the number of meetings of the Audit and Risk Committee during the financial year ended 30 June 2015 are set out below.

<b>Audit &amp; Risk Committee Meetings</b>	<b>Attended</b>	<b>Held</b>
Owen Williams	5	5
Adrian Bouris	5	5
Melanie Kansil	5	5

The Audit and Risk Committee Charter, which includes information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, is available in the Corporate Governance section of the company's website.

The external auditor responsible for the company audit attends meetings of the board and the Audit and Risk Committee by invitation.

The external auditor also attends the Annual General Meeting ('AGM') of the company and is available to answer shareholder questions from shareholders relevant to the audit. The Company believes this is important in both promoting and encouraging shareholder participation at the AGM and providing balanced and understandable information. The Company also considers that this reflects and underlines the role of the auditor and the auditor's accountability to shareholders.

For the financial year ended 30 June 2015, the Chief Executive Officer and Chief Financial Officer have provided the board with declarations that, in their opinion, the financial records of Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which was operating effectively.

An equivalent declaration will be given by the Chief Executive Officer and Chief Financial Officer for the year ended 31 December 2015.

***Principle 5: Make timely and balanced disclosure***

The company has established continuous disclosure and periodic reporting policies that ensure compliance with the continuous disclosure obligations under the ASX Listing Rules and the Corporations Act, outline the procedures that apply to the central collection, control, assessment and if required, release to ASX, of material information and ensure all investors have equal and timely access to material information concerning the company and that the company announcements are factual and presented in a clear and balanced way.

***Principle 6: Respect the rights of security holders***

The board is committed to ensuring that the shareholders are informed of all major developments affecting the company's state of affairs.

Information is communicated to shareholders through the:

- ASX company announcements platform;
- Company website;
- Annual Report; and
- Other correspondence regarding matters impacting on shareholders as required.

The company's website contains an overview of the company's profile and business. The following company and governance information is available on the website:

- Company profile;
- Board and Management profiles;
- ASX announcements;

- Annual Reports;
- Board and Committee Charters; and
- Share price information.

The Company will hold its AGM before 30 November 2015 and the Chairman, Chief Executive Officer and Company Secretary will engage with shareholders in advance of the AGM, as appropriate.

The Company recognises the importance of its relationships with investors and analysts. The Chief Executive Officer is the primary contact for communicating with the investment community.

The board encourages full participation of shareholders at the AGM to ensure a high level of accountability and identification with the company's strategy and goals. The Shareholder Communications Policy, designed to promote effective communication with shareholders, is available in the Corporate Governance section of the company's website. Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the Notice of Meeting. Shareholders have the opportunity to submit written questions to the Company and external auditor, or make comments on the management of the Company. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

The company engages its share registry (Computershare) to manage communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders.

Should shareholders wish to contact the company, the contact details of the company and its share registry are available on the company's website.

#### ***Principle 7: Recognise and manage risk***

In addition to the established Audit and Risk Committee (details of which are explained above), the company has implemented a governance, risk and compliance software system which allows material business risks to be linked to mitigating controls so that the performance of the company's enterprise risk and compliance programs can be monitored continuously. During the reporting period, the Board, through the Audit & Risk Committee, conducted an annual review of the Company's risk management framework and is satisfied that it continues to be sound.

The company does not have a dedicated internal audit function. The responsibility for risk management and maintenance of internal controls lies with both the Group Executive and Chief Risk Officer, the National Manager of Quality Advice and Professionalism and the CFO who continually monitor the company's internal and external risk environment. Necessary action is taken to protect the integrity of the company's books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguarding of company assets.

The company is exposed to a variety of economic and commercial risks. Detailed risk assessments are prepared annually and managed by the Board as part of its periodic risk management review, on an as required basis upon advices from Audit and Risk Management Committee and/or Senior Management. In the year ended 30 June 2015 risks were classified as high, medium or low depending on the likelihood of their occurrence and potential financial impact. The company intends to carry out a periodic re-assessment of its risks in terms of materiality given the nature of the industry the business operates in.

#### ***Principle 8: Remunerate fairly and responsibly***

Given the size of the board, the company does not have a formal Remuneration Committee. The task of ensuring that the level of director and executive remuneration is sufficient and reasonable and that its relationship to performance is dealt with by the full board.

The company's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders. There are no termination or retirement benefits for non-executive directors other than for superannuation entitlements.



Executive remuneration consists of a base salary and performance incentives. Long term performance incentives may include options, performance rights, share appreciation rights or other equity-based products granted at the discretion of the Board and subject to obtaining the relevant approvals.

The grant of equity-based products is designed to recognise and reward efforts as well as to provide additional incentive to continue those efforts for the benefit of the company, and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies), which are reviewed at least annually to ensure market competitiveness.

Details of remuneration, including the company's policy on remuneration, are contained in the Remuneration Report which forms part of the Directors' Report.

Senior executives and directors are prohibited from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity based remuneration packages, such as options.