

## Appendix 4G

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

Name of entity:

GBST Holdings Limited

ABN / ARBN:

85 010 488 874

Financial year ended:

30 June 2015

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

☒ This URL on our website: <http://gbst.com/investor-relations/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 11 September 2015 and has been approved by the board.

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

Date: 11 September 2015

Name of Director or Secretary authorising  
lodgement: Andrew Ritter



<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. 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 ... <sup>4</sup>
<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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... 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"/> within the GBST Corporate Governance Charter at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a>	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement	

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> within the GBST Corporate Governance Charter at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement; and</p> <p><input checked="" type="checkbox"/> on page 10 of the 2015 Annual Report, found at <a href="http://gbst.com/investor-relations/reporting">http://gbst.com/investor-relations/reporting</a></p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (the Board was equally split between independent and non-independent Directors up to 24 June 2015, and has been comprised of a majority of independent Directors since that date)	
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.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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	
<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; and <input checked="" type="checkbox"/> at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a>	

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 ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> within the GBST Corporate Governance Charter at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 15 to 17 of the 2015 Annual Report, found at <a href="http://gbst.com/investor-relations/reporting">http://gbst.com/investor-relations/reporting</a></p>	
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
4.3	<p>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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<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; and <input checked="" type="checkbox"/> at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a>	
<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 <a href="http://gbst.com/investor-relations">http://gbst.com/investor-relations</a>	
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	
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 checked="" type="checkbox"/> in our Corporate Governance Statement	
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	

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 ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> within the GBST Corporate Governance Charter at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement; and</p> <p><input checked="" type="checkbox"/> on page 17 of the 2015 Annual Report, found at <a href="http://gbst.com/investor-relations/reporting">http://gbst.com/investor-relations/reporting</a></p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> within the GBST Corporate Governance Charter at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement; and</p> <p><input checked="" type="checkbox"/> on page 17 of the 2015 Annual Report, found at <a href="http://gbst.com/investor-relations/reporting">http://gbst.com/investor-relations/reporting</a></p>	
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement; and</p> <p><input checked="" type="checkbox"/> in the Remuneration Report from page 17 of the 2015 Annual Report, found at <a href="http://gbst.com/investor-relations/reporting">http://gbst.com/investor-relations/reporting</a></p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement; and</p> <p><input checked="" type="checkbox"/> at <a href="http://gbst.com/investor-relations/corporate-governance">http://gbst.com/investor-relations/corporate-governance</a></p>	



# GBST Holdings Limited

ABN: 85 010 488 874

## Corporate Governance Statement

## Introduction

GBST Holdings Limited ACN 010 488 874 (**'GBST'** or **'the Company'**) is a public company listed on the Australian Stock Exchange (**'ASX'**), and is the parent entity of the GBST consolidated group of controlled entities.

GBST is committed to implementing standards of corporate governance consistent with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 3<sup>rd</sup> Edition' (**'Guidelines'**).

The Board of Directors of GBST (**'the Board'**) has adopted various key corporate governance documents which set out the policies and procedures followed by the Company. These documents are available on the investor relations page (Corporate Governance tab) on the Company's website – [www.gbst.com](http://www.gbst.com).

This Corporate Governance Statement outlines GBST's governance practices and policies for the financial year ended 30 June 2015, and also details the Board's assessment of the Company against the Guidelines. The Board has made decisions in relation to its operations and the operations of the Company that mean that it does not completely comply with all of the Guidelines but these decisions have been made to guide better performance, and the Board outlines its assessment against the Guidelines below.

## 1. Lay solid foundations for management and oversight

### 1.1 Responsibilities of the Board and management

Responsibility for the Company's corporate governance rests with the Board. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, in the interests of GBST's shareholders with a view to building sustainable value for them, and in the interests of employees and other stakeholders.

The Board's broad function is to:

- chart strategy and set financial targets for the Company;
- monitor the implementation and execution of strategy and performance against financial targets; and
- oversee the performance of executive management and generally to take and fulfil an effective leadership role in relation to the Company.

Power and authority in certain areas is specifically reserved to the Board – consistent with its function as outlined above. These areas include:

- composition of the Board itself including the appointment and removal of Directors and the making of recommendations to shareholders concerning the appointment and removal of Directors;
- oversight of the Company including its control and accountability system;
- appointment and removal of the Chief Executive Officer (**'CEO'**) and the Company Secretary;
- reviewing and overseeing systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and statutory compliance;
- monitoring senior management's performance and implementation of strategy;
- approving and monitoring financial and other reporting; and
- the operation of committees.

Senior management roles are given authorities and responsibilities pursuant to both corporate policies and through directions issued from time to time.

The Board has adopted a charter (which is kept under review and amended from time to time as the Board considers appropriate) to give formal recognition to the matters outlined above. This charter

sets out various other matters that are important for effective corporate governance including the following:

- a detailed definition of ‘independence’;
- a framework for the identification of candidates for appointment to the Board and their selection;
- a framework for individual performance review and evaluation;
- proper training to be made available to Directors both at the time of their appointment and on an on-going basis;
- basic procedures for meetings of the Board and its committees – frequency, agenda, minutes and private discussion of management issues among non-executive Directors;
- ethical standards and values – formalised in a detailed code of ethics and values;
- dealings in securities – formalised in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and senior management and their associates; and
- communications with shareholders and the market.

These initiatives, together with the other matters provided for in the Board’s charter, are designed to institutionalise good corporate governance and to build a culture of best practice in GBST’s own internal practices and in its dealings with others. The Board’s charter is included within the Company’s corporate governance charter, which is available from the Company’s website.

## **1.2 Election of Directors**

GBST has appropriate procedures in place to ensure any potential candidates for appointment to the Board are carefully reviewed prior to their election. Appropriate checks are conducted in terms of their character, experience, education and skillset, criminal history and bankruptcy records, as well as interests and associations.

Material information relevant to a decision to elect or re-elect a Director is contained in the notice of meeting provided to GBST’s shareholders for each Annual General Meeting (‘AGM’). Such information includes biographical details, other material directorships, the Director’s independence and a statement from the Board as to whether it supports the election or re-election of a Director.

## **1.3 Written agreements**

Written agreements are in place for Directors, which set out the terms of their appointment and other matters relative to their appointment including, but not limited to, anticipated time commitment, remuneration, requirement to disclose interests and comply with the Company’s policies, indemnity and insurance arrangements and confidentiality obligations.

Employment contracts are in place for the CEO & Managing Director and all other senior management personnel (or executives), which set out material terms of employment, including position description, reporting lines, remuneration arrangements and termination rights and entitlements.

## **1.4 Company Secretary**

The Company Secretary of GBST is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each Director is able to communicate directly with the Company Secretary and vice versa, and the appointment and removal of the Company Secretary rests with the Board.

The role of the Company Secretary includes:

- Advising the Board and its committees on governance matters;
- Monitoring that Board and committee policy and procedures are followed;

- Coordinating the timely completion and despatch of Board and committee papers;
- Ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of Directors.

### 1.5 Diversity

The Board has adopted a diversity policy that documents the Company's commitment to diversity to further embed within the Company's culture the importance of a diverse work force and an environment that embraces the benefits of diversity. The Company takes a broad view on diversity and its policy encourages diversity in the workplace in relation to gender, sexual orientation, age, race, ethnic origin, religious beliefs, impairment and nationality. The diversity policy also recognises a commitment to merit based appointments.

As at 30 June 2015, the proportion of female employees in the whole organisation, in senior positions and on the Board was:

Proportion of Women at GBST	35%
Proportion of Women in senior roles at GBST	37%
Proportion of Women on the Board	14%

The Nomination and Remuneration Committee (within its charter) is given a specific role to implement and monitor the Company's diversity policy. Below is a summary of the initiatives for the 2015 year which encouraged diversity:

- Offer flexible working arrangements for staff returning from paternal leave;
- Continued to support female entry into IT and business roles through the GBST Graduate program and partnerships with local schools and universities;
- Continued to offer prayer and lactation rooms;
- Continued to grow and promote talent from within wherever possible through advertising job vacancies across the Group;
- Implemented a Talent Matrix to ensure a consistent and fair approach to the identification, development, retention and promotion of talent going forward regardless of sex, age, family responsibilities and ethnicity;
- Continued to conduct annual pay equity audits to eliminate sex discrimination from our pay-setting system;
- Continued to support International Women's Day by securing tables at the Sydney and Brisbane Breakfasts;
- Continued to conduct 'On-Boarding Interviews' for new joiners to gather feedback on issues;
- Continued to support Women in Technology (WiT), by again sponsoring the WiT Employer of Choice award after winning the award in 2011.

Furthermore, in 2011 GBST signed up to participate in the Australian Employment Covenant, which aims to secure sustainable jobs for Indigenous Australians. Each year the Company is also required to complete a report with the Workplace Gender Equality Agency, which details the Company's compliance with the Workplace Gender Equality Act 2012.

Future initiatives to continue the encouragement of diversity are as follows:

- Ensure diversity principles are embedded in the Company's corporate culture, by developing a learning framework on anti-discrimination, harassment and bullying;

- Help employees to maintain work/life balance and responsibilities while developing and maintaining a career, including the 'keep-in-touch' program, the continual development of female leadership capability through the GBST Leadership Development Program and flexible working arrangements; and
- Recognise and support the needs of an inter-generational workforce, by promoting an organisation-wide culture that supports the abilities of all employees, regardless of age.

During the year the Board also approved an updated diversity policy which was distributed to all staff of the Company.

#### **1.6 Performance evaluation of Board and Directors**

The Board periodically conducts a review of its own performance with the Board surveyed on a variety of matters related to their own and their collective performance. The results of any survey are then tabled with the Board and used to assist decision making on changes to Board processes.

During the year, a review of the Board was undertaken which was led by the Chairman. The review involved a questionnaire on the Board's performance against a variety of criteria and sought feedback on areas for improvement. An evaluation of the Chairman was also completed by the Board in a similar manner.

#### **1.7 Performance evaluation of management**

The CEO's performance is reviewed by the Chairman in consultation with the Board and the CEO takes responsibility for the review of other executives' performance. Formal reviews are conducted at least annually.

Further information on remuneration is set out in the Remuneration Report in the Annual Report.

### **2. Structure the Board to add value**

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#### **2.1 Nomination & Remuneration Committee ('NRC')**

The purpose of the GBST NRC with regard to nominations is to consider the structure and membership of the Board, to review the performance of the Board, to set desirable criteria for future Board members and to assess candidates against those criteria.

The NRC has its own charter, which can be found within the GBST Corporate Governance Charter on the Company's website. The NRC comprises of the following members:

- Mr David Adams, Independent Director (Chair of NRC);
- Mr Allan Brackin, Independent Director; and
- Dr John Puttick, Non-executive Director.

During the year, Mr Stephen Lake resigned from the NRC in recognition of the ASX listing rule 12.8 requirement for ASX 300 companies to have a NRC comprised solely of non-executive Directors. However, Mr Lake will still attend NRC meetings as an invitee.

NRC meetings are held at least twice each year, and relevant discussions on nominations and remuneration have also been considered by the Board at various Board meetings as specific items of

business and in general business. Details of the NRC meetings held during the financial year (including attendances) can be found on page 17 of the Company's 2015 Annual Report.

## **2.2 Director skills matrix**

Together the Directors have a broad range and effective mix of experience, skills, qualifications and contacts relevant to the business of GBST, which are as follows:

<b>Board &amp; Governance</b>	<i>Experience as a director or member of a governance body</i>
<b>Leadership</b>	<i>Management experience including international exposure</i>
<b>Finance</b>	<i>Financial literacy, internal control and capital management expertise</i>
<b>Market knowledge</b>	<i>The markets GBST operates in domestically and internationally</i>
<b>Technology</b>	<i>Relevant experience in technology management and strategy</i>
<b>Strategy &amp; Entrepreneurship</b>	<i>Experience in developing, implementing and monitoring strategic plans</i>

## **2.3 Structure of the Board and independence**

The Board performs its roles and function, consistent with the above statement of its overall corporate governance responsibility, in accordance with the following principles:

- the Board should comprise at least five Directors;
- the Board shall be constituted by members having an appropriate range of experience, expertise, skills and contacts relevant to the Group and its business;
- the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
- at least two Directors will be non-executive Directors independent from management.

Details of each Director of GBST can be found in the Company's Annual Report. At present the majority of GBST's Board of Directors are considered independent and are as follows:

- Mr Allan Brackin (appointed April 2005);
- Mr David Adams (appointed April 2008);
- Dr Ian Thomas (appointed December 2011); and
- Ms Christine Bartlett (appointed June 2015).

The Board of GBST has adopted the recommendations consistent with those set out by the ASX Guidelines, and only considers Directors to be independent where they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

The tenure of each Director (excluding the Managing Director) is governed by GBST's Constitution and the ASX listing rules. The Board have assessed the tenure of all independent Directors and is comfortable that no independent Director has served for a period such that their independence may have been compromised.



**2.4 Chair's responsibilities and independence**

The Chair of GBST is Dr John Puttick, who is not an independent Director primarily due to being a substantial shareholder of GBST and his tenure, having first being appointed as Director when the Company was founded in 1984. Notwithstanding this classification as not independent, the remaining Directors do not consider this impacts the Chair's ability to fulfil his duties and bring independent judgment to bear while acting in the best interests of the Company. Dr Puttick also brings to the role extensive experience as Chair of other organisations.

The role of CEO and Managing Director is performed by Mr Stephen Lake.

**2.5 Director induction and continuing education**

A formal induction program exists for new Directors, which includes meetings with the Chair and other Board members, the CEO and senior management, independent meetings with the Company's general counsel and external auditor, and provision of all relevant materials.

All Directors are expected to maintain the skills required to discharge their obligations to the Company, and where necessary GBST will provide the necessary continuing education and training to its Directors.

**3. Act ethically and responsibly**

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**3.1 Code of Conduct**

The Company is committed to achieving and maintaining the highest standards of conduct to act ethically and responsibly, and has undertaken various initiatives which are designed to achieve this objective. GBST's Corporate Governance Charter is intended to 'institutionalise' good corporate governance and to build a culture of best practice both in the Company's own internal practices and in its dealings with others.

The Board has adopted a Code of Ethics and Values to guide Directors (within the GBST Corporate Governance Charter), and a Code of Conduct for management and employees in the performance of their duties. These codes have been designed with a view to ensuring the highest ethical and professional standards, as well as compliance with legal obligations.

The GBST Corporate Governance Charter sets out the obligations of Directors in dealing with any conflicts of interest.

With the prior approval of the Chairman, each Director has the right to seek independent legal and other professional advice concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors. Any costs incurred are borne by the Company.

GBST also has a specific Bribery and Anti-Corruption Policy which outlines its commitment to prevent fraud, bribery and corruption and provides guidance to Directors and employees to manage these risks.

**3.2 Code of conduct for transactions in securities**

The Company has in place a Securities Trading Policy to regulate dealings in securities by Directors and all GBST Staff (as defined under the policy), and is designed to ensure fair and transparent trading in accordance with both the law and best practice.

- 3.3** The Company's Corporate Governance Charter, Code of Conduct and Securities Trading Policy are available for review on the Company's website.

#### **4. Safeguard integrity in corporate reporting**

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##### **4.1 Audit and Risk Committee ('ARC')**

The purpose of the ARC is to advise the Board on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group, and to bring transparency, focus and independent judgement to the corporate review process.

The ARC has its own charter, which can be found within the GBST Corporate Governance Charter on the Company's website. The ARC comprises of the following members:

- Mr Allan Brackin, Independent Director (Chair of ARC);
- Mr David Adams, Independent Director; and
- Dr John Puttick, Non-executive Director.

Each member has the technical expertise and financial literacy to enable the ARC to effectively discharge its duties and mandate. Qualifications and experience of each ARC member can be found in the Company's Annual Report. The ARC performs a variety of functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. Among other matters for which the committee is responsible are the following:

- Board and committee structure to facilitate a proper review function by the Board;
- internal control framework including management information systems;
- corporate risk assessment and compliance with internal controls;
- internal audit function and management processes supporting external reporting;
- review of financial statements and other financial information distributed externally;
- review of the effectiveness of the audit function;
- review of the performance and independence of the external auditors;
- review of the external audit function to ensure prompt remedial action by management, where appropriate, in relation to any deficiency in or breakdown of controls;
- assessing the adequacy of external reporting for the needs of shareholders; and

Meetings are held at least three times each year. A broad agenda is laid down for each regular meeting according to an annual cycle. The ARC invites the CEO, selected members of management and the external auditors to attend each of its meetings. Details of the ARC meetings held during the financial year (including attendances) can be found on page 17 of the Company's 2015 Annual Report.

##### **4.2 Assurances from management**

The Board receives written declarations from the CEO and Chief Financial Officer ('CFO') as required under the Guidelines and section 295A of the Corporations Act in relation to the Company's financial statements and risk management.

##### **4.3 External auditor relationship**

The Company's external auditors have provided the ARC with a half-yearly and annual certification of its continued independence (in accordance with the Corporations Act), and in particular confirmed

that it did not carry out any services or engagements during the financial year that were not compatible with auditor independence.

The external auditor attends the Annual General Meeting ('AGM') of GBST shareholders to be available to answer questions regarding the audit. The external auditor also has the opportunity to answer written questions submitted by shareholders in advance of the AGM.

## **5. Make timely and balanced disclosure**

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- 5.1** GBST has in place a Continuous Disclosure Policy which sets out the processes and practices that ensure its compliance with the continuous disclosure requirements under the ASX listing rules and the Corporations Act.

The purpose of the policy is to:

- Reiterate GBST's commitment to complying with the continuous disclosure regime, and as much as possible seeks to achieve and exceed best practice;
- Provide shareholders and the market with timely, direct and equal access to information issued by GBST;
- Promote investor confidence in the integrity of GBST and GBST Securities; and
- To assist GBST Staff (as defined under the policy) in understanding GBST's continuous disclosure obligations, and to set out the procedures that must be followed for the release of information to the ASX, the investment community, the media and the public.

A copy of GBST's Continuous Disclosure Policy can be found on the Company's website.

## **6. Respect the rights of security holders**

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### **6.1 GBST website**

The GBST website contains information about the Company as recommended under the Guidelines. The investor relations section of the GBST website contains:

- A "Reporting" section that has copies of results announcements and presentations, half-yearly accounts and annual reports for the current financial year and previous reporting periods, along with a link to the ASX website for all announcements made to the ASX; and
- A "Corporate Governance" section, which has copies of policies referred to in this document.

### **6.2 Investor relations program**

GBST conducts regular briefings, including interim and full year results announcements, in order to facilitate effective two way communication with investors and other financial markets participants.

The presentation material provided at these events is lodged with the ASX announcements platform and on the Company's website.

### **6.3 Participation at the AGM**

Shareholders of GBST are encouraged to attend the Company's AGM which is usually held in October of each year. The AGM provides an insight into the operations of the Company during the year, and gives shareholders the opportunity to ask questions of the Company and its external auditor.

Notices of meeting for the AGM are accompanied by explanatory notes to enable shareholders to assess and make informed decisions on the resolutions being put forward at the meetings.

Shareholders who are unable to attend the AGM may vote by appointing a proxy using the form provided or via an online facility.

Shareholders are also invited to submit questions in advance of the AGM to ensure those issues are addressed adequately by the Company.

#### **6.4 Communications with security holders**

Shareholders of GBST can elect to receive some or all communications electronically from the Company's share registry, including notices of meeting and annual reports, in line with the recommendations made under the Guidelines.

All communications made to shareholders of GBST are in a format that is easily readable and able to be printed.

### **7. Recognise and manage risk**

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#### **7.1 Responsibility for risk management**

The Board of GBST has the overall responsibility for the risk management of the Group, including determining risk appetite, risk framework and setting policies and procedures to manage risk.

The Board provides delegated authority to the ARC to oversee GBST's risk management and advise the Board on effectiveness of the Company's approach to risk.

Please refer to section 4.1 for the details of ARC membership, charter and number of meetings held during the year.

#### **7.2 Risk management framework**

During the year a review took place of GBST's existing risk management practices and documentation with a view to establishing a more mature and robust risk management framework for the Company.

The review was conducted both internally by the Board as well as using external risk advisory service providers.

#### **7.3 Internal audit function**

GBST does not maintain an internal audit function, as the Board believes that the delegation of risk management and internal control oversight to the ARC is appropriate for the Company at this point in time.

#### **7.4 Economic, environmental and social sustainability risks**

The Board, together with management, has constantly sought to identify, monitor and mitigate risk. Internal controls are monitored on a continuous basis and, wherever possible improved. The Company uses its quality management system and project management methodologies to identify, assess and manage risk.

Given the nature of the products and services provided by GBST to its customers, the Company maintains compliance and certification with international standards relevant to those products and services. In addition, GBST maintains a business continuity plan which is reviewed annually and updated where required.

Furthermore, GBST seeks to mitigate risk through the Board's strategy of geographical expansion with its suite of products being offered to multiple markets.

**8. Remunerate fairly and responsibly**

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**8.1 Responsibility for remuneration policies and practices**

The purpose of the GBST NRC with regard to remuneration is to review and approve the remuneration of senior executives, the remuneration policies for the Group and the structure of equity based remuneration programmes.

Please refer to section 2.1 for the details of NRC membership, charter and number of meetings held during the year.

**8.2 Remuneration of Directors and senior executives**

Information regarding GBST's remuneration policies and practices for Directors and senior executives is set out in the Remuneration report commencing on page 17 of the 2015 Annual Report.

**8.3 Equity based remuneration schemes**

Performance rights are issued under the GBST Performance Rights and Options Plan to selected employees as determined by the Board.

The GBST Securities Trading Policy specifically prohibits GBST Staff (as defined under the policy) from entering into transactions in products associated with GBST Securities which operate to limit the economic risk of their security holding in GBST Securities, including hedging and other such arrangements in respect of options or rights under an employee share ownership plan.

A copy of GBST's Securities Trading Policy can be found on the Company's website.