

24 August 2016

Manager, Market Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**INDOOR SKYDIVE AUSTRALIA GROUP LIMITED (IDZ)
APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT**

Please find attached the Appendix 4G and Corporate Governance Statement in accordance with Listing Rules 4.7.3 and 4.10.3 for the year ended 30 June 2016.

Yours faithfully



Fiona Yiend
Company Secretary & General Counsel

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Name of entity

Indoor Skydive Australia Group Limited

ABN / ARBN

39 154 103 607

Financial year ended:

30 June 2016

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

- These pages of our annual report:
- This URL on our website: <http://www.indoorskydiveaustralia.com.au/skydivecompany/charters-and-policies/>

The Corporate Governance Statement is accurate and up to date as at 23 August 2016 and has been approved by the board.

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

Date: 23 August 2016

Name of Director or Secretary authorising lodgement: Fiona Yiend

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

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

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

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

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

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

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

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable^x</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity 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 OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at www.indoorskydiveaustralia.com.au/skydivecompany/charters-and-policies/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at www.indoorskydiveaustralia.com.au/skydivecompany/charters-and-policies/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <i>[insert location]</i>	<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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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

Statement of Corporate Governance

As at: 23 August 2016

Indoor Skydive Australia Group Limited
ACN 154 103 607



Corporate Governance Statement

As required by the ASX Listing Rules, this statement sets out the extent Indoor Skydive Australia Group Limited (**ISA Group** or the **Company**) has complied with the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principals and Recommendations (**ASX Recommendations**) during the financial year ended 30 June 2016. The Board of Directors considers that ISA Group's corporate governance practices comply with the ASX Recommendations, except where otherwise explained below.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation	ISA Group's Compliance with the Recommendation
1.1 Role of Board and Management	<p>The Directors are responsible to the shareholder for the performance of ISA Group in both the short and longer term. The Board has delegated the day to day management of the business of ISA Group to management through the Chief Executive Officer subject to the ISA Group Delegation of Authority.</p> <p>The ISA Group Board has adopted a charter which sets out the specific roles and responsibilities of the Board, the matters expressly reserved to the Board and the matters delegated to management. The Board Charter operates in conjunction with the charters for the Remuneration and Nomination Committee and the Audit and Risk Committee.</p> <p>A copy of each of the Charters is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au</p>
1.2 Information regarding election and re-election of director candidates	<p>Prior to appointing a person, or putting forward a candidate for election as a Director, ISA Group carefully considers the character, experience, education and skillset of the person. ISA Group also conducts appropriate checks to verify the suitability of the candidate prior to their appointment as a candidate or Director.</p> <p>ISA Group ensures that all material information in its possession relevant to a shareholder's decision whether or not to elect or re-elect a Director is provided to shareholders in the ISA Group's Notice of Annual General Meeting.</p>
1.3 Written contracts of appointment	<p>Each Director and senior executive of ISA Group has an agreement in writing with the Company which sets out the terms and conditions of their appointment including their duties, roles and responsibilities, remuneration and rights on termination, amongst other things.</p> <p>The appointment of all Directors other than the Managing Director (CEO) is subject to the rotation requirements for re-election by shareholders.</p>
1.4 Company Secretary	<p>The Company Secretary is accountable directly to the Board, through the Chairman, on all corporate governance matters. Each Director is entitled to access the advice and services of the Company Secretary.</p>

Corporate Governance Statement

Recommendation	ISA Group's Compliance with the Recommendation
1.5 Diversity Policy	<p>ISA Group does not discriminate on any grounds and determines all appointments and reviews solely on merit. Given ISA Group's stage of development and its size, the Board does not consider it appropriate to set measurable objectives based on gender.</p> <p>As at [23] August 2016, ISA Group had a total of:</p> <ul style="list-style-type: none"> • 29 female employees out of a total of 76 employees; • 1 female senior executives out of a total of 5 senior executives; and • 1 female director out of a total of 6 directors.
1.6 Board Reviews	<p>ISA Group reviews the performance of executive directors annually as part of the annual review of employee's performance and remuneration.</p> <p>During the year the performance of the Board, its committees and the individual non-executive directors was subject to a formal review process which included all directors and those roles which report to the Board.</p>
1.7 Senior Executive Reviews	<p>ISA Group has a formal process for the annual evaluation of the performance of its senior executives taking to account criteria such as the achievement of individual and company goals, individual performance and adherence to key company values. The evaluation process includes a self-assessment process and an agreed goals and development plan which forms part of the criteria of assessment in the following year. Any recommendations relating to the remuneration of senior executives is submitted to the Nomination and Remuneration Committee for review and approval before being submitted to the Board.</p>

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation	ISA Group's Compliance with the Recommendation
2.1 Nominations Committee	<p>ISA Group has a Nomination and Remuneration Committee. During the year the Committee comprised 2 non-executive directors; Ken Gillespie and Stephen Baxter. Ken Gillespie was the Committee Chairman and is also independent. Stephen Baxter is not independent.</p> <p>From 23 August 2016 the Nomination and Remuneration Committee will comprise 3 non-executive directors the majority of whom will be independent and be chaired by Stephen Baxter.</p> <p>The Nomination and Remuneration Committee Charter is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au. Details of the number of committee meetings and the attendance of committee members at those meetings is set out on page [x] of the 2016 Annual Report which is available at www.indoorskydive.com.au.</p>

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Recommendation	ISA Group's Compliance with the Recommendation
<p>2.2 Board skills matrix</p>	<p>In keeping with the overall size of the Company and its stage of development, ISA Group seeks to maintain a small board comprised of individuals with a broad range of experience and expertise which will assist the Company in achieving its strategic goals.</p> <p>Together, the Directors contribute the following key skills and experience:</p> <ul style="list-style-type: none"> • experience in dealing with high levels of government including the defence force; • experience in strategic leadership; • high level of business acumen including entrepreneurial experience; • understanding of access to capital and debt markets including the ability to analyse the comparative cost of capital; • financial skills and literacy; • international indoor skydiving experience and freefall qualifications; • experience with specialised vertical wind tunnel technology and operating systems; • understanding of diverse operating environments and models including international operations. <p>The Board considers that collectively the Directors have the range of skills, knowledge and experience necessary to direct the company.</p> <p>Further details regarding the skills and experience of each Director are included on pages [x and y] of the Directors' Report within the 2016 Annual Report which is available at www.indoorskydive.com.au.</p>
<p>2.3 Disclose Independence and length of service of Directors</p>	<p>ISA Group considers a Director to be independent if the Director is independent of management and free from any business or other relationship which could materially interfere or could reasonably be perceived to interfere materially with the Director's exercise of their judgement.</p> <p>At the date of this statement ISA Group has 4 non-executive directors and two executive directors.</p> <p>Ken Gillespie (appointed October 2012), David Murray (appointed February 2014) and Kirsten Thompson (appointed June 2016) are considered by the Board to be independent.</p> <p>Wayne Jones (appointed November 2011) and Danny Hogan (appointed November 2011) are both executives of the company, directors of a substantial shareholder on the Company and founders. They are not considered to be independent.</p> <p>Stephen Baxter (appointed August 2012) is the managing director of a substantial shareholder of the Company and is not considered to be independent.</p>
<p>2.4 Majority of Directors Independent</p>	<p>Half of ISA Group's Directors are independent directors. The Board considers this to be appropriate taking into account the developmental stage of the company, the diverse skill set of the current directors and the independence of the Chair.</p>

Corporate Governance Statement

Recommendation	ISA Group's Compliance with the Recommendation
2.5 Chair Independent	Ken Gillespie, the Chairman of the Board, is an independent Non-Executive Director and is not the CEO of the Company.
2.6 Induction and Professional Development of Directors	<p>All new directors receive an induction appropriate to their experience to enable them to actively participate in decision-making as soon as possible. The induction process includes: a detailed briefing of the Company's strategic, financial, operational and risk management issues; meeting with all members of the senior management team and the Board; and receipt of all relevant policies, charters and procedures including the Constitution and Code of Conduct.</p> <p>All Directors are expected to maintain the skills required to discharge their obligations to ISA Group. Directors are encouraged to undertake continuing professional education. Where appropriate approved continuing professional education is paid for by ISA Group.</p>

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

Recommendation	ISA Group's Compliance with the Recommendation
3.1 Code of Conduct	<p>ISA Group has adopted a Code of Conduct which has been fully endorsed by the Board and applies to all ISA Group employees and directors. The Code is regularly reviewed and updated as necessary to incorporate the practices necessary to maintain confidence in the Company's integrity and to reflect the highest ethical standards.</p> <p>A copy of the Code of Conduct is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au.</p>

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation	ISA Group's Compliance with the Recommendation
4.1 Audit Committee	<p>ISA Group has an Audit and Risk Committee. During the year the Committee comprised of Stephen Baxter (Committee Chairman) and Ken Gillespie who is independent. The Committee is responsible for risk management and oversight of ISA Group's financial reporting policies and other operational risk areas.</p> <p>From [23 August 2016] the Committee will comprise Kirsten Thomson (Committee Chair), Stephen Baxter and Ken Gillespie. All committee members are financially literate and Kirsten Thomson holds a Masters of Finance.</p> <p>The Audit and Risk Committee Charter is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au. Details of the relevant qualifications and experience of members, the number of committee meetings and the attendance of committee members at those meetings is set out on page [x] of the 2016 Annual Report which is available at www.indoorskydive.com.au.</p>

Corporate Governance Statement

Recommendation	ISA Group's Compliance with the Recommendation
4.2 CEO and CFO Certification of Financial Statements	The Board has received a declaration in the form set out in Recommendation 4.2 (and provided under s295A of the Corporations Act) from its CEO and CFO in relation to the financial statements for the financial period ended 30 June 2016.
4.3 External Auditor at AGM	ISA Group's external auditor attends each AGM and a formal opportunity to ask questions of the auditor relevant to the audit is included in the AGM proceedings.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation	ISA Group's Compliance with the Recommendation
5.1 Policy for Continuous Disclosure	<p>ISA Group has a Continuous Disclosure Policy that outlines the processes followed by the Company to ensure compliance with its continuous disclosure obligations under the Listing Rules.</p> <p>A copy of the Continuous Disclosure Policy is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au</p>

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation	ISA Group's Compliance with the Recommendation
6.1 Information on website	Information about ISA Group and its operations is located on the ISA Group website at www.indoorskydive.com.au . The Corporate Governance page provides information on ISA Group's governance practices and includes links to the relevant policies and charters.
6.2 Investor Relations Program	<p>ISA Group has adopted a Communications Policy which should be read in conjunction with the Continuous Disclosure Policy referred to above. The Communications Policy sets out how ISA Group will keep all shareholders and potential shareholders up to date about the affairs of ISA Group.</p> <p>As part of keeping shareholders informed on the Company and its operations ISA Group provides formal updates with the publication of its full and half year results and at the AGM. Information is also provided throughout the year on an ad hoc basis in relation to the performance of operations, key developments in projects and progress on new opportunities.</p> <p>A copy of the Communications Policy is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au.</p>
6.3 Facilitate participation at meetings of security holders	<p>The ISA Group Communications Policy sets out the policies and processes ISA Group has in place to facilitate and encourage participation at shareholder meetings. Shareholders are encouraged to participate in general meetings and are given an opportunity to ask questions of the Company and its auditors at the AGM.</p> <p>A copy of the Communications Policy is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au.</p>

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Recommendation	ISA Group's Compliance with the Recommendation
6.4 Facilitate electronic communications	ISA Group gives its security holders the option to receive communications from, and send communications to, the Company and its registry (Boardroom Pty Ltd) electronically.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation	ISA Group's Compliance with the Recommendation
7.1 Risk Committee	<p>As noted above, ISA Group has an Audit and Risk Committee. During the year the Committee comprised of Stephen Baxter (Committee Chairman) and Ken Gillespie who is independent. The Committee is responsible for overseeing risk management.</p> <p>From [23 August 2016] the Committee will comprise Kirsten Thomson (Committee Chair), Stephen Baxter and Ken Gillespie.</p> <p>The Audit and Risk Committee Charter is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au. Details of the number of committee meetings and the attendance of committee members at those meetings is set out on page [x] of the 2016 Annual Report which is available at www.indoorskydive.com.au.</p>
7.2 Annual Risk Management Framework Review	<p>ISA Group has adopted a risk management framework which provides risk management processes based on risk identification, risk evaluation, risk treatment/mitigation and risk monitoring and reporting.</p> <p>The senior management team are responsible for identifying, evaluating and treating/mitigating risk. The senior management team reports on risk to the Audit & Risk Committee who reports to the Board as appropriate.</p> <p>At least annually the Audit and Risk Committee reviews ISA Group's risk management framework to satisfy itself that it continues to be sound. The ISA Group Audit and Risk Committee undertook such a review during the reporting period.</p>
7.3 Internal Audit	<p>ISA Group does not have a formal internal audit function however it employs appropriate process for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> <p>ISA Group has a formal risk management framework which is aimed at the systematic identification, assessment, treatment, communication and monitoring of risk within all areas of the Company. Each of ISA Group's managers is directly responsible for risk management in their respective area of accountability.</p>
7.4 Sustainability Risks	ISA Group identifies and manages material exposures to economic risks in accordance with its risk management framework, incorporating the Board approved risk appetite. ISA Group does not have any material exposure to environmental or social sustainability risks.

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation	ISA Group's Compliance with the Recommendation
8.1 Remuneration Committee	<p>ISA Group has a Nomination and Remuneration Committee. During the year the Committee comprised 2 non-executive directors; Ken Gillespie and Stephen Baxter. Ken Gillespie was the Committee Chairman and is also independent. Stephen Baxter is not independent.</p> <p>From [23 August 2016] the Nomination and Remuneration Committee will comprise 3 non-executive directors the majority of whom will be independent and be chaired by Stephen Baxter.</p> <p>The Nomination and Remuneration Committee Charter is available in the Corporate Governance Section of ISA Group's website: www.indoorskydive.com.au. Details of the number of committee meetings and the attendance of committee members at those meetings is set out on page [x] of the 2016 Annual Report which is available at www.indoorskydive.com.au.</p>
8.2 Disclosure of Executive and Non-Executive Director Remuneration policy	<p>ISA Group's policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives is set out in the Remuneration Report commencing at page [x] of the 2016 Annual Report which is available at www.indoorskydive.com.au.</p>
8.3 Policy on hedging equity incentive securities	<p>Holders of any ISA Group equity based incentives (e.g. performance rights) are prohibited from entering into any hedging arrangement prior to exercising those rights. This prohibition is set out in the Securities Trading Policy and is a condition of the issue of performance rights under the ISA Group Performance Rights Plan.</p>