

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

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

Name of entity

Vitaco Holdings Limited

ABN / ARBN

606 826 493

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.vitaco.com.au/investor-centre>

The Corporate Governance Statement is accurate and up to date as at 30 August 2016 and has been approved by the board.

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

Date: 30 August 2016

Name of Director or Secretary authorising
lodgement: Phil Wiltshire

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: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... 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 type="checkbox"/> at [insert location]	<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: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<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: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<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: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<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 checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at http://www.vitaco.com.au/investor-centre</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 <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<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 <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<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 <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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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 checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at http://www.vitaco.com.au/investor-centre</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 [insert location]</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 [insert location]</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>
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 OR</p> <p><input type="checkbox"/> at [insert location]</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>

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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: X in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location] ... and the length of service of each director: X in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<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: X in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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: X in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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: X in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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: X in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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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>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p>x at http://www.vitaco.com.au/investor-centre</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</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 <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input 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>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</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.	... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<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: (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: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<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.	... information about us and our governance on our website: x at http://www.vitaco.com.au/investor-centre	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<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.	... the fact that we follow this recommendation: x in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

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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>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at http://www.vitaco.com.au/investor-centre</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</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 <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input 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>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p>x in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</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
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	<p>[If the entity complies with paragraph (a):] ... 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 [insert location]</p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<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 [insert location]</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 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>x in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at http://www.vitaco.com.au/investor-centre</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>x in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</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 [insert location]</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>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<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>x in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</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>
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>x in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable 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

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ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input 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><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input 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>

The Board is responsible for the overall corporate governance of Vitaco Holdings Limited (**Vitaco**) and its subsidiaries (collectively "**Vitaco Group**"), including adopting appropriate policies and procedures designed to ensure that Vitaco is properly managed to protect and enhance Shareholder interests.

The Board monitors the operational and financial position and performance of the Vitaco Group and oversees its business strategy, including approving the strategic goals of the Vitaco Group and considering and approving a business plan and an annual budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Vitaco Group.

In conducting business with these objectives in mind, the Board seeks to ensure that the Vitaco Group is properly managed to protect and enhance Shareholder interests, and that the Vitaco Group and its directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Vitaco Group, and has adopted or is developing relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Vitaco Group's business and which are designed to promote the responsible management and conduct of the Vitaco Group.

Vitaco was admitted to the Official List of ASX Limited on 15 September 2015, and this Corporate Governance Statement details the corporate governance policies and practices in place since listing and developments made since that time.

Details of Vitaco Group's key governance policies and the Charters for the Board and each of its Committees are available on Vitaco's website at <http://www.vitaco.com.au/investor-centre>

This Corporate Governance Statement reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in this Corporate Governance Statement are current as at 30 August 2016. It has been approved by the Board and is available on the Vitaco website at: <http://www.vitaco.com.au/investor-centre>.

Principle 1: The Board lays solid foundations for management and oversight

Role and responsibilities of the Board and management

The Board is responsible for the overall direction of Vitaco with oversight and review of the management, administration and overall governance of Vitaco.

The Board Charter provides a framework for the effective operation of the Board, which sets out the:

- Board size and composition and independence;
- Board composition and skills matrix
- Board's role and responsibilities;
- relationship and interaction between the Board and Management; and
- authority delegated by the Board to Management and to Board committees.

The Board's role is to, among other things:

- represent and serve the interests of Shareholders by overseeing and appraising the Vitaco Group's strategies, policies and performance;
- oversee the Vitaco Group, including providing leadership and setting its objectives;
- approve and monitor systems of risk management, internal compliance, accountability and control, codes of conduct and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- set the risk appetite within which the Board expects Management to operate;
- monitor senior management's performance and approve remuneration policies and practices;

- monitor implementation of strategy, and ensuring appropriate resources are available;
- approve and monitor the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approve budgets;
- approve and monitor the corporate, financial and other reporting systems of the Vitaco Group, including external audit and oversee their integrity;
- adopt appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards and ethical standards and policies, including establishing procedures to ensure information that a reasonable person would expect to have a material effect on the price or value of the Shares is appropriately and accurately disclosed on a timely basis in accordance with all legal and regulatory requirements; and
- monitor the effectiveness of the Vitaco Group's governance practices.

Matters that are specifically reserved for the Board or its committees (as relevant) include:

- appointment of the Chairman;
- appointment and removal of the CEO;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- review of corporate codes of conduct;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
- calling of meetings of Directors or Shareholders; and
- any other specific matters nominated by the Board from time to time.

The Board has established the following committees to assist it in discharging its functions:

- Audit and Risk Committee (**ARC**); and
- Nomination and Remuneration Committee (**NRC**).

The Board's responsibilities are set out in the Board Charter, which is available on the Vitaco website under Investor Centre\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

The management function is conducted by, or under the supervision of, the CEO as directed by the Board. The CEO is responsible for the day-to-day management and administration of the Vitaco Group and is supported by the senior management team. The CEO's responsibilities are set out in the Board Charter.

Access to information and independent professional advice

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time they consider it appropriate. The Board collectively, and each Director individually, has the right to seek independent professional advice at the Vitaco Group's expense, subject to the reasonable approval of the Chairman of the Board and provided that the advice received is made available to the Board as a whole.

Board meetings

The Board holds regular meetings and as frequently as may be required to deal with urgent matters, which might arise between the scheduled meetings.

For details of the current Directors, their qualifications, skills and experience, refer to the Directors section in the Directors' Report. For details of Directors' attendance at Board and Committee Meetings for the year ended 30 June 2016, refer to the 'Meetings of Directors' table in the Directors' Report.

Appointment and re-election of directors

When appointing new directors, the NRC will look to ensure that the Company has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to bring transparency, focus and independent judgment to decisions regarding the composition of the Board.

The Board comprises directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. When appointing new directors, the Board together with the NRC will review the skills represented on the Board and determine whether the composition and mix of those skills remain appropriate for Vitaco's strategy subject to limits imposed by the Constitution and the terms served by existing NEDs.

At the commencement of the Director selection process, Vitaco will undertake appropriate checks on potential candidates to consider their suitability.

Non-executive directors should inform the chairperson and the Chair of the NRC before accepting any new appointment as a director of another listed entity, another other material directorship or other position with a significant time commitment attached.

Directors available for re-election at a general meeting are reviewed by the NRC and recommended to the Board. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules. Shareholders will be provided with details about each director for election or re-election in the notice of meeting for the Annual General Meeting (**AGM**) to enable Shareholders to make a decision on election or re-election.

No new non-executive directors have been appointed since listing on the ASX, however the appropriate process will be followed as the need arises.

Vitaco enters into a written agreement with each director and senior executive setting out the terms of the director's or senior executive's appointment.

Company Secretary

All Directors have direct access to the Company Secretary who is responsible to the Board through the Chairman on all matters relating to the conduct and functions of the Board and Committees. One of these responsibilities is to ensure that business at board and Board committee meetings is accurately captured in the minutes of such meetings. All of the Company Secretary's responsibilities are set out in the Board Charter which is available on the Vitaco website under Investor Centre\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Diversity

The Vitaco Group values a strong and diverse workforce and is committed to developing measurable objectives of diversity and inclusion in its workplace. The Vitaco Group has implemented a Diversity Policy, which supports the commitment of Vitaco to an inclusive workplace that embraces and values diversity while always upholding the principle of meritocracy. The Diversity Policy is overseen by the Board and which aligns the Vitaco Group's management systems with the commitment to develop a culture that values and achieves diversity in its workforce and on its Board.

The Diversity Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

As at 30 June 2016 the gender diversity summary for Vitaco's staff (including part timers and merchandisers) is as follows:

	Males	Females	Male %	Female %
Board	4	1	80%	20%
Lead Team and senior management*	31	25	55%	45%
Salaried Staff	64	108	37%	63%
Waged Staff	124	179	41%	59%
Total (excluding Board)	219	312	41%	59%

*defined as a management position up to 2 reporting levels below the CEO.

Note: as this is the first year reporting as Vitaco Group, there are no comparative figures available

At this stage, Vitaco has not yet set measurable objectives related to gender, although this will be considered during 2017. The Lead Team and senior management has been very stable, however in all recruitment, diversity is considered. The Board appointment process is managed by the NRC and focusses on meeting the skills and experience required.

Performance review of the Board

The NRC is responsible for establishing the processes for reviewing the performance of individual Directors, the Board as a whole.

During the year ended 30 June 2016, the Board did conduct a performance evaluation.

An informal peer review will be undertaken for each director seeking re-election at the AGM to enable a recommendation to be made by the Board to shareholders.

Performance review of CEO

The NRC is responsible for reviewing the performance of the CEO.

The Board, via the NRC, sets key performance indicators for the CEO and formally evaluates the achievement of those objectives.

Ryan d'Almeida was appointed as CEO of Vitaco in October 2014 and was appointed as an Executive Director of Vitaco Group in July 2015. An annual performance review has been conducted for the year ended 30 June 2016.

Further detail on performance indicators for long term incentive plans is provided in the Remuneration Report.

Performance review of executive management

Executive management members' key performance indicators are set annually in collaboration with the CEO and each individual executive. At least annually, the CEO conducts one-on-one performance evaluations with individual executives to assess whether they have met their key performance indicators set in the preceding year. Further detail on performance indicators for short term and long term incentives is provided in the Remuneration Report.

Principle 2: The Board is structured to add value

NRC

The NRC:

- has three members who are independent non-executive directors;
- is chaired by Greg Richards, who is an independent non-executive director;
- the NRC Charter is available on the Vitaco website under Investor Centre/Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>;

- holds regular meetings and, in addition will meet as often as its members consider necessary; and
- in its function as a nominations committee, assists the Board in fulfilling its corporate governance responsibilities in regard to:
 - Board appointments, re-elections and performance;
 - Board and Committee membership;
 - directors' induction and continuing development;
 - succession planning; and
 - strategies to address Board diversity.

The NRC may obtain information from, and consult with, management and external advisers, as it considers appropriate.

The Committee met 2 times during the year ended 30 June 2016. For further details of the number of NRC meetings and the attendance at those meetings, refer to the 'Meetings of directors' table in the Directors' report.

Board Skills Matrix

The composition of the Board was carefully considered prior to the Company listing on the ASX and the appropriate composition and membership of the Board determined to ensure that the Board has the appropriate mix of skills, expertise and experience to guide Vitaco and assist management achieve the strategic objectives set by the Board.

The review was facilitated by considering the Board skills matrix developed by the NRC that provides an overview of the directors' skills measured against a range of skills, competencies and experience sought by the Board that have been developed based on:

- Vitaco's strategic priorities and objectives;
- current issues and challenges; and
- current and future business.

The mix of skills and experience in the current Board, and that the Board would look to maintain, and build on, includes:

Skill	Explanation
Manufacturing	An understanding of the manufacturing sector and how it operates
Fast-moving consumer goods experience	An understanding of how the fast-moving consumer goods sector operates
Business acquisition	Experience in identifying and managing the process for mergers and acquisitions.
Integration skills	Experience in identifying and managing integrations
Financial literacy	Experience in accounting and finance to analyse statements, assess financial viability, contribute to financial planning, oversee budgets, oversee funding arrangements
Legal and regulatory knowledge	Ability to review legal, regulatory and governance documents and to assess impact on the Company
Diversity	Adequate diversity to bring different perspectives to board discussions (e.g. age, gender, background, nationality)
Policy	Experience in reviewing policies and to assess any impact on the Company
Regulatory development and reform	Ability to review legal, regulatory and governance developments and to assess any impact on the Company
Health, safety and environment	Ability to review health, safety and environment policies and procedures and to assess impact on the Company

Social responsibility	Experience in / ability to make decisions to act for the benefit of society at large
Organisational development	Make decisions and take necessary actions in the best interests of the organisation, and represent the organisation favourably. Analyse issues and contribute at board level to solutions.
Human resources	Experience in managing the workforce of an organisation or managing individuals
Leadership / previous experience as a chief executive	Experience as a Chief Executive / Managing Director in other companies
Leadership / previous experience as a chair or board member	Experience as a Chair or Director in other companies

A review of the composition of the Board was undertaken during the year by the Board, looking at the current skills and diversity of the Board and its needs going forward. The Board considers that there is currently an appropriate mix of skills, diversity and experience on the Board, taking into account the size of Vitaco and the nature of Vitaco's operations.

Independence

The Board considers an independent director to be a non-executive Director who is:

- is independent of Management;
- is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgment; and
- otherwise meets the criteria for 'independence' as set out in the *ASX Corporate Governance Principles and Recommendations (3rd edition)* published by the ASX Corporate Governance Council.

Vitaco currently has five Directors, a majority of whom are independent non-executive directors, as detailed in the table below:

Director	Independent status	Appointment date
Greg Richards (Chairman of the Board)	Independent	August 2015
Ryan d'Almeida	Not independent as CEO of Vitaco	July 2015
Emmett Hobbs	Independent	August 2015
Andrew (Sandy) Lockhart	Not independent as a Director of Next Capital	July 2015
Katrina Onishi	Independent	August 2015

The Chairman is an independent Non-Executive Director and there is a clear division of responsibility between the Chairman and the CEO.

Each director must immediately disclose to the Board if a director is, or becomes aware of, any information, facts or circumstances that will or may affect the director's independence.

For details of the current directors, their qualifications, skills and experience refer the 'Directors' section in the Directors' Report.

Induction and education

The NRC is responsible for implementing an induction program for all new directors and ensuring that Vitaco has provides appropriate professional development opportunities for continuing directors.

Each Director completed an induction program through their involvement in the due diligence process as part of listing on the ASX. No new non-executive directors have been appointed during the year.

Principle 3: The Board promotes ethical and responsible decision-making

Code of Conduct

Vitaco is committed to operating ethically, honestly, responsibly and legally in all of its business dealings. Accordingly, the Board adopted the Code of Conduct, which forms the foundation for the way in which Vitaco undertakes business. The Code of Conduct applies to all directors and employees of the Vitaco Group and all consultants and contractors whose terms of engagement incorporate the Code of Conduct.

The Code of Conduct covers the following areas:

- honesty and integrity;
- conflicts of interest or duty;
- corporate opportunities;
- confidentiality;
- fair dealing;
- protection and proper use of assets;
- trading in securities;
- privacy;
- community, environment and politics;
- compliance with laws, regulations, policies and procedures; and
- reporting of unlawful and unethical behaviour.

If an employee, director, consultant or contractor is aware of, or suspects a breach of the Code of Conduct or other inappropriate behaviour, they are encouraged to promptly report any breaches of the Code of Conduct. Employees have the benefit of protections applicable under legislation in relation to whistle-blowing.

A copy of the Code of Conduct is given to all directors, employees and relevant personnel. The Code of Conduct is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Securities Trading Policy

Vitaco has adopted the Securities Trading Policy. The Securities Trading Policy applies to all Designated Officers, Employees and Associates of the Vitaco Group. The Securities Trading Policy prohibits Designated Officers, Employees and Associates from dealing in Vitaco's securities while in possession of inside information as defined under section 1043A of the Corporations Act.

Designated Officers may deal in Vitaco's securities by following the prescribed process to obtain Clearance under the Securities Trading Policy or during any of the prescribed **Trading Windows**:

- in the period commencing 24 hours after the release of Vitaco's half year results to ASX and ending four weeks after such release;
- the period commencing 24 hours after the release of Vitaco's full year results to ASX and ending four weeks after such release;

- the period commencing 24 hours after each of Vitaco's annual general meetings and ending four weeks after the relevant annual general meeting; and
- any additional period that the Board may specify from time to time.

Employees and Designated Officers are also prohibited from entering into any margin loan arrangements to fund the acquisition of Vitaco Securities or in relation to which Vitaco Securities may be used as security against loan repayment.

The Securities Trading Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Fraud and Corruption Policy

Vitaco has adopted the Fraud and Corruption Policy. The purpose of the policy is to protect the asset and reputation of Vitaco.

The Fraud and Corruption Policy:

- reinforces the commitment of the Board and senior management to, and their responsibility for, identifying fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities;
- reinforces the requirement for all employees and others to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud or corrupt conduct;
- provides a framework for conduct of investigations to ensure that all suspected fraudulent and corrupt activity is dealt with appropriately; and
- assigns responsibility for the development of controls to prevent and detect fraud.

The Fraud and Corruption Policy applies to all officers, employees (including directors, executives and managers) and contractors of Vitaco and its controlled entities.

The Fraud and Corruption Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Principle 4: The Board safeguards integrity in financial reporting

ARC

The ARC:

- has three members, a majority of whom are independent non-executive directors;
- is Chaired by Katrina Onishi, who is an independent non-executive director;
- the ARC Charter is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>;
- holds regular meetings and in addition, will meet as often as its members considers necessary; and
- in its function as an audit committee assists the Board in fulfilling its corporate governance responsibilities in regard to:
 - Vitaco's half year and annual financial reporting obligations;
 - oversight of the independence of the external auditor; and
 - compliance with legal and regulatory obligations.

Its function as a risk committee are detailed under Principle 7.

The ARC may obtain information from, and consult with, management, the external auditor and external advisers, as it considers appropriate. The ARC also has access to the external auditor to discuss matters without management being present.

The ARC met 4 times during the year ended 30 June 2016. For further details regarding the number of ARC meetings and the attendance at those meetings, refer to the 'Meetings of directors' table in the Directors' report.

Selection and rotation of the external auditor

The ARC is responsible for recommending to the Board the appointment, removal or replacement of the external auditor and its signing partner, the terms of appointment, any re-appointment and fees.

CEO and CFO declaration

Prior to Board approval of Vitaco's half year and annual financial reports, the CEO and CFO must provide the Board with declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

For the half year ended 31 December 2015 and for the full financial year ended 30 June 2016, the CEO and CFO made a declaration in accordance with section 295A of the Corporations Act. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively.

Auditor at AGM

At Vitaco's AGMs, the external auditor will be present and available to answer Shareholder questions on the:

- conduct of the audit;
- preparation and content of the external auditor's report;
- accounting policies adopted by Vitaco in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

Principle 5: The Board makes timely and balanced disclosure

Vitaco has adopted the Continuous Disclosure Policy to ensure compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the Corporations Act and ASX Listing Rules.

Under the Continuous Disclosure Policy, the Board has appointed the CFO to act as the Disclosure Officer. The Disclosure Officer has primary responsibility for communications with the ASX. The CEO determines with the Disclosure Officer, whether information is required to be disclosed to the ASX. Any disclosure must be approved by the CEO, and if the CEO and Managing Director considers necessary, the Board. The Board has designated the Disclosure Officer and CEO as the persons authorised to issue statements and communicate with media on behalf of Vitaco.

The Continuous Disclosure Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Principle 6: The Board respects the rights of Shareholders

Vitaco is committed to promoting effective communication with shareholders and encouraging effective participation at general meetings. This strategy facilitate effective two-way communication with shareholders through information provided on the website, shareholder meetings, ability to contact Vitaco or its share registry with any questions.

Vitaco has adopted the Shareholder Communication Policy available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Company website

Vitaco's website is at <http://www.vitaco.com.au/> and is regularly kept up-to-date to maintain effective communication with Shareholders and stakeholders.

The following information is available on the website:

- company profile and brands;
- board profiles;
- corporate governance charters and policies;
- company announcements and investor briefings;
- annual reports and notices of meeting;
- details of Vitaco's corporate social responsibility; and
- contact details.

Alternatively, Company announcements can be accessed from the 'announcements' section of the ASX website (ASX code: VIT).

Shareholder engagement and participation

The contact details of Vitaco and its share registry (see below under 'electronic communications') are available to Shareholders to address and facilitate any Shareholder-related enquiries.

Vitaco will be holding its first AGM on 3 November 2016 in Sydney. To encourage Shareholder engagement and participation at the AGM, Shareholders will have the opportunity to attend the AGM, ask questions from the floor, participate in voting and meet the Board and executive management in person.

Shareholders who are unable to attend the AGM are encouraged to vote on any proposed resolutions by appointing a proxy via the proxy form accompanying the notice of meeting or online through the share registry's website. Shareholders will have the opportunity to submit written questions to Vitaco and external auditor, or make comments on the management of Vitaco at the meeting. In addition, shareholders will be able to access AGM presentations and speeches made by the Chairman and CEO prior to the commencement of the meeting. Vitaco will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

Electronic communications

Vitaco's contact details are available on the Vitaco website under 'contact us'. Shareholders can submit an electronic query to Vitaco via the website, email Vitaco at investorenquiries@vitaco.com.au or contact its share registry, Link Market Services.

Shareholders may elect to receive all Shareholder communications (including notification that the annual report is available to view, notices of meeting and payment statements) by email. Electronic communications have the added advantage of being more timely, cost effective and environmentally responsible, which benefits all Shareholders.

Principle 7: The Board recognises and manages risk

ARC

In its function as a risk committee, the ARC assists the Board in fulfilling its corporate governance responsibilities in regard to oversight of Vitaco's risk management system and internal control systems.

Details of the composition of the ARC are contained in the disclosure under Principle 4. For details regarding the number of ARC meetings and the attendance at those meetings, refer to the 'Meetings of directors' table in the Directors' report.

Risk Management Policy

Vitaco views effective risk management as key to achieving and maintaining its operational and strategic objectives and has adopted a Risk Management Policy. The Risk Management Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>. The Risk Management Policy sets out the requirements, roles and responsibilities for managing risks across the organisation.

The ARC is responsible for overseeing the establishment and implantation of risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the ongoing efficiency and effectiveness of those systems. In addition, the ARC is responsible for reviewing (at least annually) and approving policies and procedures on risk oversight and management to establish an effective and efficient system for:

- identifying, assessing, monitoring and managing risk; and
- disclosing any material change to Vitaco Group's risk profile.

During the financial year ended 30 June 2016, the Board (through the ARC) guided the establishment and implementation of Vitaco's risk management framework and internal compliance and control systems.

In 2016/2017, the ARC will review the policies and procedures on risk oversight and management.

Senior Management has reported to the Board (through the ARC) on the effectiveness of the management of the material risks faced by Vitaco during the financial year ended 30 June 2016. The Board (through the ARC) has reviewed the risk management framework and is satisfied that it continues to be sound.

Internal audit

Due to the size and current stage of development of Vitaco, Vitaco does not have an independent internal audit function. Oversight of the effectiveness of Vitaco's risk management and internal control processes currently form part of the responsibilities of Management. As Vitaco continues to develop, the ARC will consider establishing an independent internal audit function.

Economic, environmental and social sustainability risks

Vitaco strives to conduct its business in ways that appropriately balance financial, social and environmental benefits. Vitaco understands that sustainable success depends upon maintaining its reputation and paying attention to the demands and concerns of all stakeholders.

Vitaco has material exposures to environmental risks. Certain activities carried on in the course of the Vitaco Group's business are subject to regulation by environmental legislation. Environmental laws and regulations are constantly changing and, while the Vitaco Group endeavours to ensure that its operations and activities comply with applicable environmental laws, it cannot guarantee that it will always be in compliance with applicable environmental laws and regulations, or that it will not incur additional costs to comply with such laws and regulations. Failure to comply with any of these laws and regulations could result in penalties, a delay in the delivery of goods, a need to temporarily shut down operations, delayed receipt of sales revenue, loss of income, the incurring of significant costs and fines and the suspension or termination of contracts. Any limitations or costs incurred as a result of the Vitaco Group's non-compliance with environmental laws and regulations may have a materially adverse effect on the Vitaco Group's business, financial condition, results of operations and reputation.

Vitaco has a Corporate Social Responsibility Statement available on the Vitaco website under About Us\Social Responsibility: <http://www.vitaco.com.au/about-us/social-responsibility>.

The Corporate Social Responsibility Statement outlines Vitaco's social responsibility approach, to corporate governance, the workplace and the environment. Vitaco strives to take steps to mitigate its environmental impacts through appropriate measures such as continually reviewing and striving for continuous improvement in the environmental performance of our activities and by minimising waste from sites working collaboratively with waste management companies to improve processes and by reminding customers to recycle responsibly via our packaging communications.

Principle 8: The Board remunerates fairly and responsibly

NRC

In its function as a remuneration committee, the NRC assists the Board in fulfilling its corporate governance responsibilities in regard to:

- engaging remuneration consultants (if required);
- reviewing non-executive director remuneration;
- determining executive remuneration policies and remuneration for executives; and
- reviewing and approving all equity based incentive plans.

Details of the NRC are contained in the disclosure under Principle 2. Details of the number of NRC meetings and the attendance at those meetings, refer to the 'Meetings of directors' table in the Directors' report.

Remuneration report and remuneration policies

In relation to remuneration issues, the Board (with the assistance of the NRC) has established a remuneration philosophy to ensure that it remunerates fairly and responsibly. The remuneration philosophy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees.

Details about Vitaco's remuneration philosophy, policies and practices are provided within the Remuneration Policy and the Remuneration Report, which is part of the Director's Report. As detailed in the Remuneration Report, the structure of non-executive directors' remuneration and that of executives is clearly distinguished. Non-executive directors receive fees, which do not include any incentive payments. Executives participate in incentive plans as detailed in the Remuneration Report. There are also no retirement schemes for Non-Executive Directors, other than superannuation.

The Remuneration Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.

Equity-based remuneration scheme

Vitaco has established the:

- Vitaco Holdings Limited Short Term Incentive Plan, under which eligible participants receive a payment following a recommendation from Management on achievement of key performance indicators; and
- Vitaco Holdings Limited Long Term Incentive Plan (**LTIP**) under which eligible participants are granted Options or Rights (as defined in the LTIP) to receive Shares at a future date if specific criteria are met.

The Plan may be used to make grants to executives that may form the long term incentive component of their total remuneration package. This will further align executive interests with those of Shareholders and is reflective of market practice of listed companies. The CEO was granted Options and Rights under the LTIP (**CEO Issue**). Certain members of management were also granted Options and Rights under the LTIP.

Under the Plan and also the Securities Trading Policy, participants are prohibited from entering into margin loan arrangements to fund the acquisition of Securities or in relation to which Securities may be used as security against loan repayment.

The Terms and Conditions of the LTIP and CEO Issue were disclosed in the prospectus and are available on the 'Announcements' section of the ASX website for 'VIT' lodged on 15 September 2015 and detailed in the Remuneration Report. The Securities Trading Policy is available on the Vitaco website under Investor Relations\Corporate Governance: <http://www.vitaco.com.au/investor-centre/corporate-governance>.