



Tuesday, 18 August 2015

The Manager
Company Announcements Office
Australian Securities Exchange
Level 45, South Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam,

Appendix 4G and Corporate Governance Statement

Please find attached the Appendix 4G and Corporate Governance Statement for Asciano Limited (ASX: AIO) in accordance with ASX Listing Rules 4.7.3 and 4.10.3.

Yours faithfully

A handwritten signature in blue ink, reading "Lyndall Stoyles".

Lyndall Stoyles
Group General Counsel & Company Secretary

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Asciano Limited

ABN/ARBN

26 123 652 862

Financial year ended

30 June 2015

Our Corporate Governance Statement for the above period above can be found at this URL on our website:

<http://asciano.com.au/p/corporate-governance-and-policies>

The Corporate Governance Statement is accurate and up to date as at 18 August 2015 and has been approved by the Board.

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

Date here: 18 August 2015

Sign here:



Group General Counsel & Company Secretary

Print name: Lyndall Stoyles

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 ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (sections 2.1 and 2.2) ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ✓ at this location: The Board Charter is available on our website at: http://asciano.com.au/staff/our-board
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (section 2.10)
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (sections 2.10 and 4.1)
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (section 2.4)
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant	... the fact that we have a diversity policy that complies with paragraph (a): ✓ in our Corporate Governance Statement (section 7.1) ... and a copy of our diversity policy or a summary of it: ✓ at this location: The Diversity Policy is available on our website at: http://asciano.com.au/p/corporate-governance-and-policies ... 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:

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>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>✓ in our Corporate Governance Statement (section 7.3)</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p>✓ in our Corporate Governance Statement (section 7.2)</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>✓ in our Corporate Governance Statement (section 2.8)</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement (section 2.8)</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>✓ in our Corporate Governance Statement (section 4.2)</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement (section 4.2)</p>
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</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>✓ in our Corporate Governance Statement (sections 3.1 and 3.2)</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>The Nomination and Succession Planning Committee Charter is available on our website at: http://asciano.com.au/staff/our-board</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>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>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement (section 3.2) AND</p> <p>✓ at this location:</p> <p>2015 Directors' Report (section 4) which is available on our website at: http://asciano.com.au/investors/financial_reports</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>✓ in our Corporate Governance Statement (section 2.7)</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p>✓ in our Corporate Governance Statement (sections 2.5 and 2.6)</p> <p>... where applicable, the information referred to in paragraph (b):</p> <p>N/A</p> <p>... the length of service of each director:</p> <p>✓ in our Corporate Governance Statement (section 2.5) AND</p> <p>✓ at this location:</p> <p>2015 Directors' Report (section 1) which is available on our website at: http://asciano.com.au/investors/financial_reports</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement (sections 2.5 and 2.6)</p>
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.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement (section 2.3)</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement (section 2.10)</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p>✓ in our Corporate Governance Statement (section 5) AND</p> <p>✓ at this location:</p> <p>The Code of Conduct is available on our website at: http://asciano.com.au/p/corporate-governance-and-policies</p>
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, 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>✓ in our Corporate Governance Statement (sections 3.1 and 3.2)</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>The Audit and Risk Committee Charter is available on our website at: http://asciano.com.au/staff/our-board</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement (section 3.2) AND</p> <p>✓ at this location:</p> <p>2015 Directors' Report (section 4) which is available on our website at: http://asciano.com.au/investors/financial_reports</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (section 6.3)
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (section 1.3)
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ✓ in our Corporate Governance Statement (section 5) AND ✓ at this location: The Disclosure Policy is available on our website at: http://asciano.com.au/p/corporate-governance-and-policies
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ✓ at this location: http://asciano.com.au/p/corporate-governance-and-policies
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (section 1.1)
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ✓ in our Corporate Governance Statement (section 1.3)
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement (section 1.1)

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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>✓ in our Corporate Governance Statement (sections 3.1 and 3.2)</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>The Audit and Risk Committee Charter is available on our website at: http://asciano.com.au/staff/our-board</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement (section 3.2) AND</p> <p>✓ at this location:</p> <p>2015 Directors' Report (section 4) which is available on our website at: http://asciano.com.au/investors/financial_reports</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 we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement (section 6.1)</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>If the entity complies with paragraph (a):</p> <p>... how our internal audit function is structured and what role it performs:</p> <p>✓ in our Corporate Governance Statement (section 6.4)</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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>✓ in our Corporate Governance Statement (section 6.5)</p> <p>✓ at this location:</p> <p>2015 Sustainability Report (to be available on our website in October)</p>
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>✓ in our Corporate Governance Statement (sections 3.1 and 3.2)</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p>The Remuneration Committee Charter is available on our website at: http://asciano.com.au/staff/our-board</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in our Corporate Governance Statement (section 3.2) AND</p> <p>✓ at this location:</p> <p>2015 Directors' Report (section 4) which is available on our website at: http://asciano.com.au/investors/financial_reports</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>✓ in our Corporate Governance Statement (sections 4.3 and 5) AND</p> <p>✓ at this location:</p> <p>Remuneration Report (section 7 of the 2015 Directors' Report) which is available on our website at: http://asciano.com.au/investors/financial_reports</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>8.3 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>✓ in our Corporate Governance Statement (section 5) AND</p> <p>✓ at this location:</p> <p>Remuneration Report (section 7 of the 2015 Directors' Report) which is available on our website at: http://asciano.com.au/investors/financial_reports</p>

Asciano believes that good corporate governance is an essential ingredient for a successful company. Asciano is committed to continuing to work to meet stakeholder and community expectations of robust and best practice corporate governance.

The Board of Directors is responsible for ensuring that Asciano has an appropriate corporate governance framework in place to add value for its stakeholders through effective oversight, strong risk management and well defined processes. This requires that appropriate accountability and control systems are in place.

This Corporate Governance Statement outlines Asciano's main corporate governance practices in place for the 2015 financial year and at the date of this report. Copies or summaries of the corporate governance documents mentioned in this statement are available on Asciano's website at www.asciano.com.au.

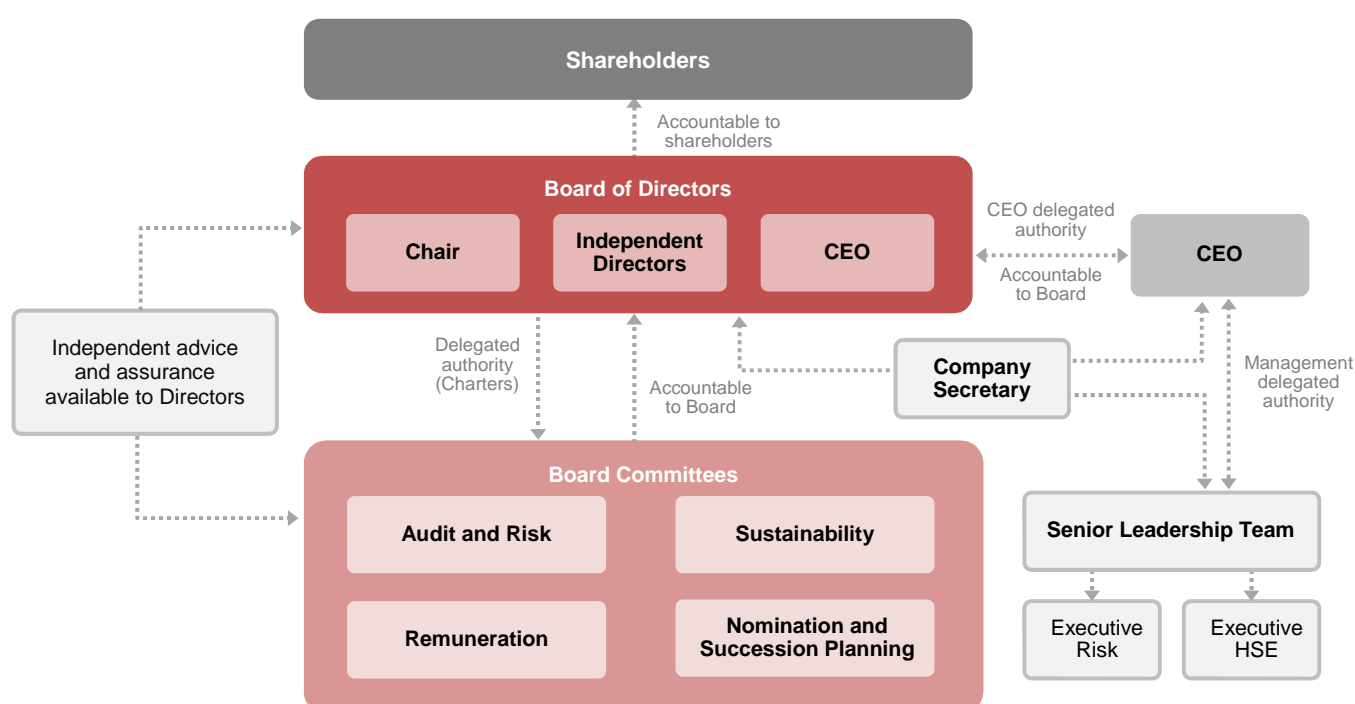
The Board believes that Asciano's corporate governance framework and policies comply with corporate governance best practice in Australia, including the 3rd edition of the ASX Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles").

Overview of corporate governance framework

Asciano continues to be proactive in respect of its corporate governance framework and continues to evaluate, change and implement arrangements that it believes will maximise its effectiveness.

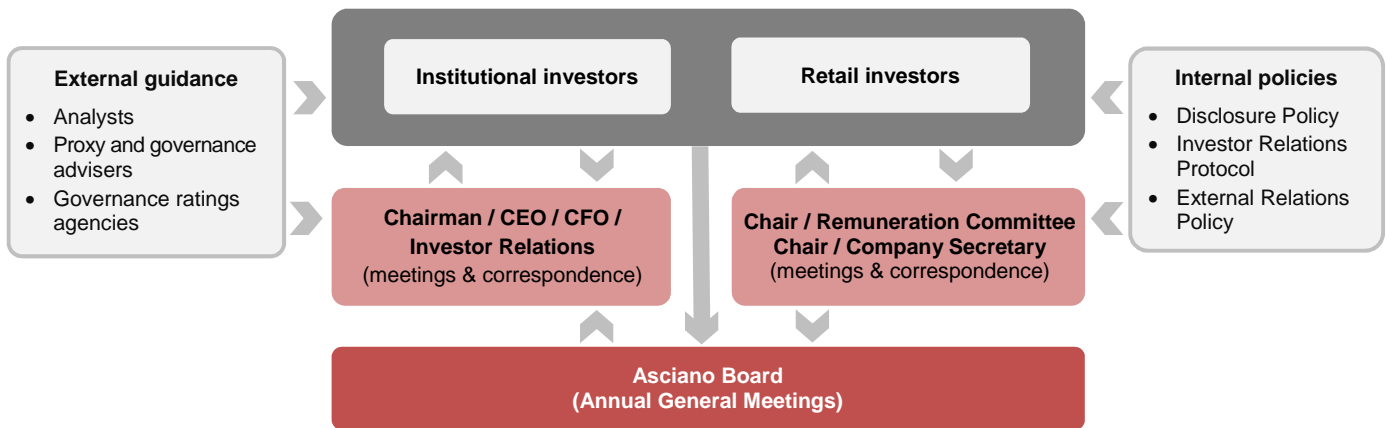
The Board regularly reviews Asciano's corporate governance framework to ensure that the responsibilities and reporting lines between the Board, the Board committees and management are effective and comply with the Corporations Act 2001 and the ASX Principles.

An overview of Asciano's corporate governance framework is depicted below:



Part 1 – Stakeholder engagement

Asciano is committed to engaging with external stakeholders and providing timely, open and accurate information to our shareholders, regulators and the broader investment community.



1.1 Shareholder communications

The Board aims to ensure that shareholders are informed of all material information relating to the Company and that this information is easily accessible.

The Asciano website (www.asciano.com.au) forms a key part of our communications with shareholders and the broader investment community.

All Asciano media releases, ASX announcements, investor presentations, half and full year financial reports and notices of shareholder meetings are made available on the website immediately after release to the market.

In addition, the Company provides other information about itself and its governance on the website. Section 5 of this Corporate Governance Statement outlines the governance policies and charters that are available on the website.

The Company also has in place an investor relations program, which is designed to facilitate effective two way communication with investors. This includes both scheduled and ad hoc meetings and interactions with investors, analysts and financial media throughout the year.

Shareholders also have the option to receive key communications from, and send communications to, the Company and its share registry electronically.

1.2 Disclosure and market communications

The Board has adopted a Disclosure Policy that sets out the Company's approach to continuous disclosure and to external announcements generally. The Policy and the Company's approach to managing continuous disclosure are consistent with the ASX's revised Guidance Note 8.

The Disclosure Policy provides an outline of the Company's continuous disclosure obligations and sets out the measures it

has implemented to ensure compliance, including listing the kind of matters that would generally require disclosure. The Policy also provides guidelines for the management of external announcements and specifies the Company's authorised spokespeople.

The Continuous Disclosure Committee, which comprises senior executives, manages compliance with market disclosure obligations and is responsible for implementing reporting processes and controls and setting the guidelines for release of information.

The Company conducts periodic training for Directors and senior executives regarding our continuous disclosure obligations. Training focuses on ensuring that those people who may be likely to come into possession of price sensitive information have a full understanding of the legal requirement to disclose this information to the ASX as well as the Company's internal processes for escalation and assessment of information prior to release to the ASX.

1.3 Annual General Meeting

The annual general meeting ("AGM") is the primary opportunity for shareholders to meet face-to-face with the Board and senior executives. The Board encourages participation by shareholders at the AGM as a means of ensuring accountability and transparency. Shareholders are invited to submit questions both ahead of and during the AGM. Directors also make themselves available after the formal part of the AGM to meet with shareholders.

The Company's external auditor attends the AGM to answer shareholder questions about the auditor's report.

For shareholders who are unable to attend in person, the AGM is webcast live on the Asciano website.

Part 2 – Board of Directors

The role of the Board is to oversee and guide the management of Asciano and its businesses while protecting and enhancing the interests of its shareholders and taking into account the interests of other stakeholders, including employees, customers, suppliers and the wider community.

2.1 Role and responsibilities

The Constitution provides that the business and affairs of the Company are to be managed by or under the direction of the Board. The Board has adopted a formal Board Charter which details the Board's role, powers, duties and functions, the matters it has reserved for its own consideration and the authority it has delegated to the CEO. The Board Charter and the delegations of authority are reviewed regularly.

The Board's reserved powers and responsibilities are set out in the Board Charter and include:

- overseeing the composition of the Board, including consideration of the skills and competency of the Directors
- overseeing and appraising the strategies, policies and performance of Asciano
- approving annual budgets and major expenditure items
- overseeing Asciano's risk management compliance and corporate governance policies
- approving and monitoring internal and external reporting
- approving dividends
- appointing and removing the CEO
- reviewing senior executive succession planning, and
- approving Asciano's remuneration policy and arrangements including for the CEO and other senior executives.

2.2 Delegation to CEO and management

The Board has delegated responsibility for the day to day management of the Asciano Group to the CEO pursuant to a formal delegation structure. This is complemented by comprehensive delegations of authority from the CEO to management, which are designed to accelerate decision-making and improve efficiency. These delegations cover commitments up to certain authority levels for a number of items including capital expenditure, supplier and revenue contracts and credit card limits, as well as transactions requiring specific approvals such as lease arrangements, treasury transactions and commencing and settling legal claims.

2.3 Chairman

The Chairman of the Board, Mr Malcolm Broomhead, is considered by the Board to be an independent Non-Executive Director and is a resident Australian citizen. The Chairman is responsible for the leadership and effective performance of the Board, and the maintenance of productive relations between the Directors and the management team. Further details of the Chairman's responsibilities are set out in the Board Charter. Mr Broomhead's qualifications and experience are set out in section 1 of the Directors' Report.

2.4 Company Secretary

Under the Board Charter, the Board is responsible for the appointment and removal of the Company Secretary. All Directors have access to the Company Secretary, who is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board and corporate governance. Lyndall Stoyles is the Group General Counsel & Company Secretary of Asciano, and a member of the Senior Leadership Team; her qualifications and experience are set out in section 3 of the Directors' Report.

2.5 Board membership

The Board currently comprises eight Non-Executive Directors and one Executive Director, being the CEO. Details of the period of office held by each current Director and the year of their last election at an AGM are set out below. Profiles of the Directors, including their qualifications and experience, are included in section 1 of the Directors' Report.

Director	Appointed	Last elected
Malcolm Broomhead (Chairman)	2009	2012
John Mullen (CEO)	2011	N/A
Chris Barlow	2007	2014
Dr Robert Edgar	2009	2012
Peter George	2007	2013
Shirley In't Veld	2010	2014
Geoff Kleemann	2009	2012
Ralph Waters	2012	2012

2.6 Director independence

The Board's Guidelines on Director Independence specify that there should be a majority of independent Non-Executive Directors on the Board. This requirement, which is also embodied in the Board Charter, ensures that all Board discussions and decisions have the benefit of independent judgement. The criteria for assessing independence are set out in the Independence of Directors Guidelines adopted by the Board, and comply with Box 2.3 of the ASX Principles.

The Board reviews the independence of the Directors before they are appointed, on an annual basis and at any other time where the circumstances of a Director change so as to require reassessment. The Board assesses the materiality of any contractual relationship that may affect independence on a case-by-case basis, both from the perspective of the Company and the individual Director.

During the reporting period, the Board considered the circumstances of each Director, including whether they:

- have a substantial holding of Asciano shares
- have been employed by the Company
- have association with any advisers to the Company
- are associated with a material supplier to the Company, and
- have any material contractual relationship with the Company.

Following this evaluation, the Board determined that all Non-Executive Directors, including the Chairman, were independent.

2.7 Skills and experience

The Board (through the Nomination and Succession Planning Committee) actively seeks to ensure that the Board and its committees continue to have the right balance of skills, knowledge, qualifications, diversity and business experience necessary to direct the Company in accordance with high standards of corporate governance.

The table below sets out the key skills the Directors are looking to achieve on the Board, and the extent to which they are currently represented on the Board and its committees.

Skills and experience	Number of Directors ¹			
	Board	Audit & Risk	Remuneration	Sustainability
Financial / Commercial	8	3	3	4
Heavy / related industry experience	6	2	2	4
Other public company board	8	3	3	4
Other board chair	4	2	1	2
Public company CEO	4	1	-	2
Government relations	5	2	2	3
Regulatory	3	1	2	2
International	7	2	2	4

¹ The Nomination and Succession Planning Committee comprises the same Directors as the Board; therefore, the number of Directors is the same for both.

2.8 Board performance evaluation

The Board has adopted a policy setting out a performance evaluation process for the Board and its committees. This provides that the performance of the Board, each of its committees and each Director will be reviewed annually. The review may be conducted by an external consultant. The Board Performance Evaluation Process also sets out matters that will be considered relevant in assessing performance.

A Board performance review was conducted with the assistance of an external consultant in July/August 2014. This performance review involved:

- the consultant preparing a confidential questionnaire for each Director and select executives to complete
- the consultant meeting with each Director and select executives to discuss the Board's performance and its relationship with management and preparing a report
- the Board meeting to discuss the report and its findings, and
- the Chairman and the Company Secretary working with the Board and management to implement the recommendations as agreed with the Board.

2.9 Board and committee meetings

The Board and the committees meet on a regular basis, and additional meetings are called when required to address specific issues. The Chairman, in conjunction with the CEO and the Company Secretary, sets the agenda for each meeting. Any Director may request matters be included on the agenda.

Directors receive papers in advance of each Board and committee meeting, and these papers provide the Directors with sufficient information to enable them to participate in informed discussion at each meeting. It is the Board's practice that Non-Executive Directors also meet regularly without the presence of management.

Details of Board and committee meetings held during the 2015 financial year and attendance at those meetings are set out in section 4 of the Directors' Report.

2.10 Directors' rights and obligations

A number of the Directors' key rights and obligations are set out in the table below:

Appointment, retirement and re-election	Induction training and continuing education	Access to information and independent advice	Conflicts of interest
<ul style="list-style-type: none"> • Appropriate checks are undertaken prior to appointing a person and recommending that person for election as a Director (including checks as to character, experience, education, criminal record and bankruptcy history). • Directors filling an additional or casual vacancy must have their appointment confirmed by shareholders at the next AGM. • All Directors must retire at the third AGM following their election or most recent re-election. • The Nomination and Succession Planning Committee makes recommendations on the re-appointment of Directors at the AGM. • All information relevant to the decision of whether or not to elect or re-elect a Director is provided to shareholders in the notice of AGM. 	<ul style="list-style-type: none"> • All new Directors are provided with a formal letter detailing the key terms of their appointment. • All new Directors are provided with induction training and materials, including information on the Company's financial, strategic, operational and risk management position. • All Directors are required to maintain the skills required to discharge their obligations to the Company, and have access to continuing education opportunities. • Asciano undertakes an ongoing program to ensure that Directors are kept abreast of the nature of its business, current issues and corporate strategy. • The Board also conducts regular tours of Asciano's operational sites to assist the Directors to understand the operations. 	<p>Directors are entitled to:</p> <ul style="list-style-type: none"> • unrestricted access to executives and Company information, and • seek independent professional advice as necessary to assist in making informed decisions and discharging their duties and responsibilities. <p>Asciano will reimburse reasonable expenses incurred in obtaining independent advice. Unless the Chairman determines otherwise, the advice will generally be circulated to all Board members.</p>	<p>Directors are required to:</p> <ul style="list-style-type: none"> • disclose, upon appointment, any outside interests or directorships which they hold and to update this information during the course of the directorship, and • advise the Board immediately of any interest that has the potential to conflict with the interests of the Company (including any matter that may impact perceived or actual independence). <p>Procedures are in place to ensure that a Director with an actual or potential conflict of interest does not receive Board papers or participate in decisions relevant to the matter.</p>

Part 3 – Board Committees

3.1 Four Board Committees

The Board has established the following standing committees:

- Audit and Risk Committee
- Remuneration Committee
- Sustainability Committee
- Nomination and Succession Planning Committee.

The Board receives regular updates from the Chair of each committee on its deliberations, conclusions and recommendations.

Each committee operates under a specific charter approved by the Board, detailing its role, duties and membership requirements. The Board regularly reviews the appropriateness of the existing committee structure, as well as the membership and charter of each committee.

3.2 Responsibilities and membership

The responsibilities and membership of the Board committees are set out in the following table.

Audit and Risk	Remuneration	Sustainability	Nomination and Succession Planning
<p>Make recommendations on:</p> <ul style="list-style-type: none"> • the adequacy of the financial reporting process • approval of financial statements • appointment and independence of the external auditor • Group risk management policy and key risk parameters. <p>Responsible for approval and oversight of:</p> <ul style="list-style-type: none"> • terms of engagement of external and internal audit (including audit plans) • rotation of external auditor • risk management systems and enterprise risk plan • risk management framework / internal control systems • Group insurance policies • finance policies. 	<p>Make recommendations on:</p> <ul style="list-style-type: none"> • Group remuneration policy • remuneration for Non-Executive Directors • remuneration arrangements for the CEO and senior executives • service agreement for the CEO • new executive incentive plans • diversity measurable objectives. <p>Responsible for approval and oversight of:</p> <ul style="list-style-type: none"> • superannuation arrangements • amendment and testing under executive incentive plans • employee incentive plans • Asciano's Remuneration Report. 	<p>Make recommendations on:</p> <ul style="list-style-type: none"> • New health, safety and environment ("HSE") policies. <p>Responsible for approval and oversight of:</p> <ul style="list-style-type: none"> • HSE strategy • the health, safety and wellbeing of employees and contractors • environmental performance and compliance • response to carbon and climate change related matters • energy efficiency systems and initiatives • the Company's HSE compliance framework and incident reporting. 	<p>Make recommendations on:</p> <ul style="list-style-type: none"> • the size, composition, diversity and competencies of the Board • the appointment and removal of Directors • annual re-election of Directors • committee composition. <p>Responsible for approval and oversight of:</p> <ul style="list-style-type: none"> • establishing guidelines for the selection and appointment of new Directors • training and education programs • Non-Executive Director performance reviews • succession plans for Directors and senior executives.
<p>Membership of the four committees is based on Directors' qualifications, skills and experience. Each standing committee is comprised of:</p> <ul style="list-style-type: none"> • at least three members • only independent Non-Executive Directors, and • a Chair appointed by the Board. <p>Non-committee members, including the CEO, may attend committee meetings by invitation.</p>			
Membership as at 30 June 2015			
Geoff Kleemann (Chair) Robert Edgar Peter George	Chris Barlow (Chair) Robert Edgar Geoff Kleemann	Shirley In't Veld (Chair) Chris Barlow Peter George Ralph Waters	All Non-Executive Directors

Part 4 – Senior executives

4.1 Terms of appointment

Each senior executive, including the CEO, has a written service contract setting out the key terms of their appointment, remuneration arrangements and entitlements on termination.

The results of this review are used by the Company in determining remuneration outcomes, as well as future remuneration arrangements.

4.2 Performance evaluation

A comprehensive process to evaluate the performance of the CEO and senior executives is conducted on an annual basis. The CEO conducts the performance review of each of his direct reports, and the Board conducts the performance review of the CEO. All senior executives undertook a performance evaluation during the reporting period using this process.

4.3 Remuneration

The Remuneration Report is contained in section 7 of the Directors' Report and sets out detail of how remuneration is structured for senior executives. The mix of remuneration components and the performance criteria used in the incentive plans have been chosen to ensure that there is a strong link between the remuneration earned by the executives and the achievement of the Group's strategy and business objectives.

Part 5 – Governance policies

The Board believes that the various governance policies and practices adopted by Asciano during the reporting period comply with corporate governance best practice and the recommendations contained in the ASX Principles.

ASX Principle	Governance document	Purpose	Other comments	Compliant with ASX Principles	On website
Principle 1: Foundations for management and oversight	Board Charter	Sets out the role and responsibilities of the Board, and describes the separate functions of management.	See section 2.1	Â	Â
	Diversity Policy	Sets out the Company's commitment to diversity and inclusion at Board, executive and employee level.	See part 7 on diversity disclosures	Â	Â
	Performance Evaluation Process	Sets out the process for evaluating the performance of the Board and Board Committees.	See section 2.8	Â	Â
Principle 2: Structure the Board to add value	Nomination Committee Charter	Sets out the role and responsibilities of the Nomination and Succession Planning Committee.	See section 3.2	Â	Â
	Independence of Directors Guidelines	Outlines the criteria for assessing the independence of Directors and the process for evaluating independence	See section 2.6 for further information	Â	Â
Principle 3: Act ethically and responsibly	Code of Conduct	Describes the four corporate values of: <ul style="list-style-type: none"> safety customer people & teamwork performance Outlines the standards of behaviour expected of all Directors and employees in relation to a number of matters (including promoting health and safety, avoiding conflicts of interest, proper use of assets, appropriate employment practices, maintaining confidentiality, and complying with Asciano's policies and procedures).	Oversight by Audit Committee	Â	Â
	Whistleblower Policy / Fraud and Corruption Prevention Policy	Details Asciano's commitment to maintaining an open working environment which encourages employees and contractors to report concerns in relation to fraudulent, illegal, unethical and improper conduct, either with management or via an external confidential hotline.	Oversight by Audit Committee	Â	Â
Principle 4: Integrity in corporate reporting	Audit and Risk Committee Charter	Sets out the role and responsibilities of the Audit & Risk Committee.	See section 3.2	Â	Â
	Auditor Independence Policy	Sets out the Company's policy in relation to the engagement of the external auditor for both audit and non-audit services, as well as the process for approval of services.	See not 7.2 to and forming part of the financial statements for amounts paid to the external auditor	Â	Â
Principle 5: Timely and balanced disclosure	Disclosure Policy	Sets out the Company's approach to continuous disclosure and external announcements generally.	See section 1.2	Â	Â
Principle 7: Recognise and manage risk	Risk Management Policy	Applies an integrated, enterprise-wide framework approach to managing risk across all aspects of the Group's business operations and provides a consistent and systematic view of the risks.	See section 6.1	Â	-
Principle 8: Remunerate fairly and responsibly	Remuneration Committee Charter	Sets out the role and responsibilities of the Remuneration Committee.	See section 3.2	Â	Â
	Remuneration Policy	The remuneration structure for the Non-Executive Directors, the Executive Director and senior executives is described in detail in the 2015 Remuneration Report.	See Remuneration Report (at section 7 of the Directors' Report)	Â	Â
-	Sustainability Committee Charter	Sets out the role and responsibilities of the Sustainability Committee.	See section 3.2	N/A	Â
-	Share Trading Policy	Sets out the prohibition on all Directors and employees from trading in the Company's shares, or in the shares of other outside entities, if they are in possession of 'inside information' and includes specific prohibitions on Directors, senior executives and their 'associates' from: <ul style="list-style-type: none"> trading during specified 'blackout periods' without approval from the Chairman or Company Secretary, and entering into margin loan arrangements or transactions designed to limit risk exposure to remuneration. 	Complies with requirements of ASX Listing Rule 12.12	N/A	Â

Part 6 – Risk management

Asciano believes that shareholder value is driven by taking considered risks, and that effective risk management is fundamental to achieving the strategic, operational and compliance objectives of Asciano.

6.1 Risk management policy and framework

Asciano's Risk Management Policy applies an integrated, enterprise-wide framework approach to managing risk across all aspects of its business operations and provides a consistent and systematic view of the risks. This enterprise-wide risk management ("ERM") framework is reviewed and updated on an annual basis.

During the 2015 financial year, Deloitte was engaged as an independent consultant to assist both management and the Board (through the Audit and Risk Committee) to review the effectiveness of the ERM framework. As part of that review, the ERM framework was assessed against Deloitte's Risk Capability Maturity Model. The review showed that Asciano currently has in place a comprehensive framework to address the critical processes for identifying, managing and reporting on risk. The review also identified some potential process improvements to support further embedding of the ERM framework into the operational and strategic processes and further opportunities to enhance the risk reporting against the defined risk appetite. Management has committed to continue to enhance the maturity of the risk framework in line with the general recommendations made by Deloitte.

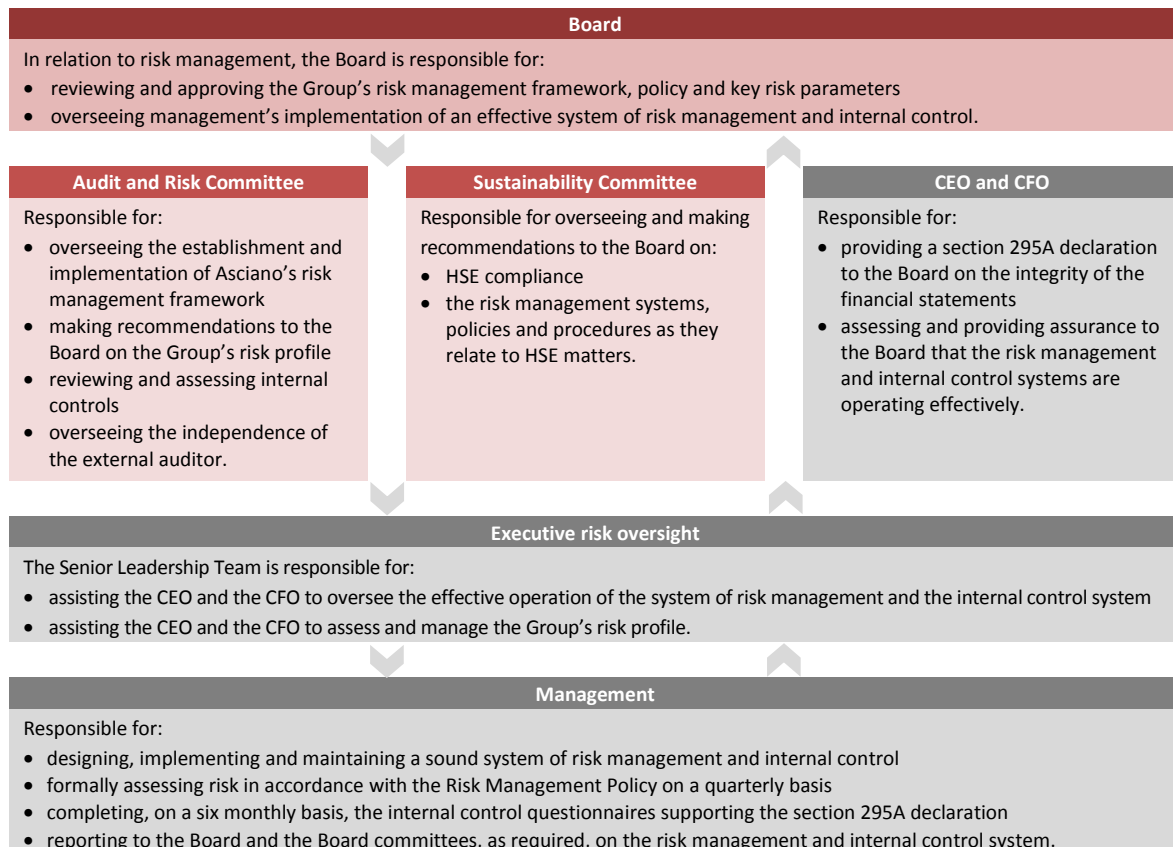
Asciano's risk management approach is based on the International Standard ISO 31000:2009 Risk Management Principles and Guidelines. The risk management framework incorporates input from a range of systems, programs and policies including:

- delegations of authority, including guidelines and approval limits for capital expenditure and contracts
- a comprehensive annual insurance program
- a Board approved finance policy to manage exposure to credit, liquidity and market risks
- annual budgeting and monthly reporting systems for all divisions to monitor performance against budget targets
- the identification and assessment of strategic risks during the annual strategic planning cycle
- a comprehensive occupational health and safety program and the Company's sustainability, climate change and energy plans, overseen by the Sustainability Committee, and
- an environmental regulation compliance policy and improvement strategies.

6.2. Oversight and responsibility

The Board is responsible for overseeing the implementation of an effective system of risk management and internal control. The responsibility for designing, implementing and maintaining a sound system of risk management and internal control has been delegated to management through the CEO.

The division of the key risk management functions is set out below.



6.3 Management assurance

Prior to the approval of the financial statements for the half and full year financial periods, the Board also received a written declaration from the CEO and CFO in accordance with section 295A of the Corporations Act that, in their opinion:

- the financial records of the consolidated entity for the relevant period have been properly maintained
- the financial statements give a true and fair view of the financial position and performance of the consolidated entity and comply with the accounting standards
- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts when they become due and payable, and
- that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating efficiently and effectively in all material respects.

In providing that assurance declaration, the CEO and the CFO require that management of the business divisions and corporate functions complete a detailed and comprehensive questionnaire on a six monthly basis. The questionnaire addresses the effectiveness of the risk management and internal control systems for the reporting period. These assurances form part of the process by which the Board determines the effectiveness of the Company's risk management and internal control systems.

6.4 Internal audit

The Asciano risk management and internal audit function reports to the Chairman of the Audit and Risk Committee and to the CFO. Internal audit conducts a series of risk-based audits based on a plan reviewed and approved by the Audit and Risk Committee. The Group General Manager Risk and Internal Audit is responsible for developing the risk management framework and for undertaking the internal audit program. The Audit and Risk Committee undertakes a periodic independent assessment of the effectiveness of Asciano's risk management framework.

6.5 Key business risks

The challenges and risks that Asciano and its operations may face in achieving its business strategy are set out in the Operating and Financial Review.

These risks are identified to assist investors in understanding the nature of the risks faced by Asciano and the industries in which it operates. It is not intended to be an exhaustive list of risks.

In particular, environmental, social and sustainability risks which may impact Asciano and how those risks are managed by the Group will be outlined in detail in the 2015 Sustainability Report, which will be available on the Asciano website in October.

Part 7 – Diversity

Asciano is committed to improving diversity in the workplace. We believe that building an inclusive workplace enables diversity of thought and decision-making, and ultimately drives better business outcomes.

7.1 Diversity Policy

The Asciano Diversity Policy sets out the principles guiding the Company's commitment to diversity and inclusion at Board, executive and employee level, being:

- meritocracy;
- fairness and equity; and
- commercial success.

Asciano is committed to workplace diversity, with a particular focus on supporting the representation of women at all levels across the Company.

For Asciano, diversity is not limited to gender, but includes age, ethnicity and cultural background. Building an inclusive workforce will in turn assist Asciano to build sustainable and valuable relationships with its customers, employees, suppliers, shareholders, governments and the broader community.

7.3 Measureable objectives and progress

The Company established measurable objectives to improve diversity in the business in 2013. Those measurable objectives, the progress in the 2015 financial year ("FY15") toward achieving them, as well as the measurable objectives for FY16 are set out in the table below.

7.2 Current gender profile

The table below shows the proportion of female representation across Asciano, the Board and various levels of management.

Job classification / level	Male	Female
Non-Executive Directors	86%	14%
Senior executives (Levels A and B) ¹	82%	18%
Operational (Levels C, D and E1)	78%	22%
Delivery (Levels E2, F1 and F2)	42%	58%
All employees	90%	10%

¹ Includes all members of the Senior Leadership Team (including the CEO) and executives reporting directly to a member of that team.

Further information on our approach to diversity will be included in the 2015 Sustainability Report, which will be available on the Asciano website in October.

Measurable objectives	Progress / performance in FY15	FY16 objectives
Recruitment and selection		
Asciano is committed to attracting and securing the best candidates from a broad talent pool, with a strong focus on competency and organisational fit. To support achievement of this goal, we review our recruitment and selection process to ensure that we provide a level playing field where selection, reward and advancement are based on merit.	<p>Female application rates:</p> <ul style="list-style-type: none"> • Our target was to increase female application rates to 23% by June 2015. • We exceeded our target, with 25% female applications. <p>Female placement rates:</p> <ul style="list-style-type: none"> • Our target was to increase female placements rates to 23% by June 2015. • We exceeded our target, with 24% female placements. <p>Our WILPower campaign (a targeted cadetship program) was very effective in increasing external brand awareness of Asciano amongst women with interest or experience in operational leadership and blue collar frontline roles.</p>	<ul style="list-style-type: none"> • Increase female applications rates to 28% by June 2016. • Increase female placement rates to 28% by June 2016. • Implement the WILPower campaign as a standard diversity initiative across the business.
Talent and succession management		
Asciano is committed to developing a diverse pool of talented employees to ensure that we have the talent pipeline to fill critical roles now and into the future.	<p>Participation in leadership programs:</p> <ul style="list-style-type: none"> • Our target was to have a minimum of 25% female attendance at emerging and executive leadership development programs by June 2015. • We exceeded our target, with 35% female attendance at programs run or developed in FY15. <p>Succession plans:</p> <ul style="list-style-type: none"> • Our target was to increase female succession representation for executive roles to 40% by June 2015. • We fell just below our target, with 36% female representation – this was, in part, impacted by the successful placement of a number of female successors into key roles, which has consequently reduced the level of female representation in our succession plans. 	<ul style="list-style-type: none"> • Have 30% minimum female attendance at emerging and executive leadership development programs by June 2016. • Maintain the target for female succession representation for executive roles at 40% for FY16.
Reporting and monitoring progress		
Asciano will develop a consistent diversity scorecard at both the Asciano Group and divisional level to ensure the review and management of diversity is a standard part of our Senior Leadership Team agenda.	A scorecard of key metrics has been developed and will form the baseline for measuring future performance and progress. Progress against our key diversity goals and initiatives is formally included in our monthly human capital reporting to ensure regular engagement and focus by the Senior Leadership Team in this area.	<ul style="list-style-type: none"> • Introduce a new diversity goal for our top 3 levels of management which will form 20% of the "personal goal" component of the Short Term Incentive Plan. • Continue our monthly reporting process and enhance the quality of insights to support taking appropriate action to achieve our goals.