Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

Blackmores Limited

ABN / ARBN:

35 009 713 437

Financial year ended:

30 June 2019

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report: Pages XXXX to XXXX

☒ This URL on our website: blackmores.com.au/about-us/investor-centre/corporate-governance

The Corporate Governance Statement is accurate and up to date as at 14 August 2019 and has been approved by the board.

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

Date:	14 August 2019
Name of Director or Secretary authorising lodgement:	Cecile Cooper

[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: ☒ in our Corporate Governance Statement OR ☐ 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): ☒ in the Board Charter at blackmores.com.au/about-us/investor-centre/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement ☒ in our Notice of Meeting at AGM at blackmores.com.au/about-us/investor-centre/news-and-announcements (available mid September 2019)	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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.

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	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 committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (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 (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.	… the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and a copy of our diversity policy or a summary of it: ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance … 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement [OR ☐ at	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...[4]
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] ... and a copy of the charter of the committee: ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at the Directors Report in the 2019 Annual Report at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports [If the entity complies with paragraph (b):] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☐ in our Corporate Governance Statement OR ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at the Directors Report in the 2019 Annual Report at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports [If the entity complies with paragraph (b):] … 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: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
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 OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☐ in our Corporate Governance Statement OR ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance	☐ 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: ☒ at blackmores.com.au	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and a copy of the charter of the committee ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at the Directors Report in the 2019 Annual Report at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports [If the entity complies with paragraph (b):] … the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that 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: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have 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.	[If the entity complies with paragraph (a):] … how our internal audit function is structured and what role it performs: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] [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: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have 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	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at blackmores.com.au/about-us/investor-centre/corporate-governance … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at the Directors Report in the 2019 Annual Report at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports [If the entity complies with paragraph (b):] … 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: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	… the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	… the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

BLACKMORES®
| GROUP

The Corporate Governance Statement

AUGUST 2019

BLACKMORES® | GROUP

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The Corporate Governance Statement (Statement) for Blackmores Limited (Blackmores, Blackmores Group, Group or Company), is accurate as at 14 August 2019.

This Statement details Blackmores' corporate governance practices and compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) and also highlights where related governance documents are located on the website at blackmores.com.au/about-us/investor-centre/corporate-governance.

Blackmores' Board and management are dedicated to the highest standards of corporate behaviour and accountability throughout all levels of the organisation. The Board regularly reviews its governance practices to ensure the needs and expectations of stakeholders are met within a framework that is appropriate for Blackmores and supports its commitment to legal compliance. The Board endorses the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

BLACKMORES GROUP GOVERNANCE FRAMEWORK

The Board is responsible for the governance framework which operates under Board-approved policies, charters and practices. The Board committees help the Board fulfil its governance role. The Board and its committees regularly review the Company's governance framework and associated practices to ensure they keep pace with regulatory change. The Board and Committee charters are reviewed annually.

PRINCIPLE 1

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Company Constitution states that the Company's business and affairs are to be managed under the Board's direction.

The Board has adopted a formal Board Charter which, among other matters, sets out the responsibilities, structure and composition of the Board of Directors of the Company. The matters which require approval by the Board are included. The Board Charter is available on the Blackmores website at blackmores.com.au/about-us/investor-centre/corporate-governance.

A summary of duties for the Chairman and the Chief Executive Officer are reviewed and agreed by the Board and include job descriptions for each role.

Before appointing a Director, the Board undertakes appropriate checks and provides shareholders with all material information which is relevant to the decision to elect or re-elect a Director. Directors receive formal letters of engagement setting out the key terms, conditions and expectations of their engagement.

The formal letter of appointment of a Director includes the following details:

- Time and commitment envisaged;
- Powers and duties of Directors;
- Any special duties or arrangements attaching to the position;
- Circumstances in which an office of Director becomes vacant;
- Expectations regarding involvement with committee work;
- Remuneration and expenses;
- Superannuation arrangements;
- Requirement to disclose Directors' interests and any matters which affect the Director's independence;
- Fellow Directors;
- The Share Trading Policy governing dealings in securities (including any share qualifications) and related financial instruments by Directors, including notification requirements;

- Induction training and continuing education arrangements;
- Access to independent professional advice subject to prior approval from the Chairman or CEO;
- Indemnity and insurance arrangements;
- Confidentiality and rights of access to corporate information; and
- A copy of the Constitution.

An orientation program is organised for new Directors to ensure that incoming Directors are familiar with the Company's business and governance practices.

The Company has written employment agreements with each of its senior executives.

The Company Secretary is responsible for supporting the effectiveness of the Board and is directly accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. Each Director is able to communicate directly with the Company Secretary.

Blackmores is a leader in diversity and we are committed to championing and celebrating the richness of diversity, believing it positively impacts employee engagement, improves business performance, increases shareholder value and enhances the probability of achievement of corporate objectives. Blackmores regularly reviews policies to ensure that the Company not only matches but excels against the ASX Diversity Recommendations. We are progressing to achieve our 2025 targets with current representation of women being 20% on the Board of Directors and 40% of Senior Executives (being direct reports to the CEO). We have set a target of 50% of women on the Board and Senior Executives by 2025.

Set out below are the diversity targets set by the Company:

Blackmores' Diversity Targets

	Current	2025
Females on the Board[1]	20%	50%
Females in senior executive positions[1]	40%	50%
Females in management positions[2]	59%	50%
Female employees[2]	70%	70%

We are committed to creating programs that prepare women to take on senior roles within the business, assist Indigenous Australians and encourage people with disabilities to access employment opportunities and career advancement.

The Board's People and Remuneration Committee has adopted a Diversity Policy and management is required to periodically provide diversity reports to the Committee and Board. The policy is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

The Company is compliant with the Equal Opportunity for Women in the Workplace Act 1999.

A copy of Blackmores 2018 (FY18) report to the Workplace Gender Equality Agency is available at blackmores.com.au/about-us/investor-centre/corporate-governance. A copy of the FY19 report to the Agency will replace the FY18 report once approved by the Agency.

The Chairman of the Board evaluates the performance of individual Directors and the Board collectively on an ongoing basis. Performance criteria to which he has reference include attendance and participation at meetings, contribution to valid Board debate on key issues and the effectiveness of the Board as a whole in providing the Company with clear guidance and direction.

1. As at 14 August 2019.
2. As at 30 June 2019 based on wholly owned operations delivering significant revenues.

An external Board review is conducted bi-annually and was last completed during FY18. This was an extensive review with all Board members and the Senior Management team involved. This provided the Directors with both collective and individual feedback. The Board strongly believes that a high performance culture starts in the Boardroom and the review has helped provide the Board and Senior Management team with some focus areas to action over the two year period. This included elevating culture in the Board/agenda and supporting Board and management interactions with extended leadership team participation in meetings.

The Company has comprehensive performance guidelines in place. Underpinned by clearly defined objectives and measures aligned to the delivery of the Company's objectives and developed through the overall process of performance management, each senior executive has had their performance assessed in line with the program during FY19.

PRINCIPLE 2

STRUCTURE THE BOARD TO ADD VALUE

The Company has a Nominations Committee which comprises the full Board and is a Committee of the Board. The proceedings and meetings of the Nominations Committee are governed by the provisions of the Constitution.

The primary purpose of the Nominations Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by ensuring that the Board is comprised of individuals who are best able to discharge their responsibilities as Directors, having regard to the law and the highest standards of governance.

The members of the Committee during the 2019 financial year, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings are included in the 2019 Directors' Report section of the Annual Report available at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports.

The Board reviews its composition and assesses nominations for new appointments from time to time to ensure the right balance of skills and experience. The following table is the current mix of skills and diversity of the Board.

SKILLS MATRIX

Skills and Experience and Board Representation	(Total membership)
Executive and strategic leadership Senior executive and directorship experience.	5
Financial and risk management Senior executive experience in financial accounting and reporting, corporate finance, risk and internal controls.	4
Acquisitions Experience in M&A and implementation.	5
Governance and Board Prior experience as a Board member, industry or membership of governance bodies.	5
Work Health and Safety and Sustainability Experience related to health, safety, environment, social responsibility and sustainability.	4
Industry Health Experience in health, health services, or consumer goods industry.	4

SKILLS MATRIX

Skills and Experience and Board Representation	(Total membership)
Asia International Experience working in an organisation with global operations, or understanding of different cultural, political, regulatory and business requirements.	5
Regulatory and Public policy Legal background or experience in regulatory and public policy.	1
Remuneration Remuneration Committee membership or experience in relation to remuneration, including incentive programs.	5
Market Experience in retail channels, digital or marketing industry.	5
Learning and Development Experience relating to education and growth of knowledge base.	3

The qualifications, expertise and experience of each Director are included in the following table:

Name of Director	Date Joined	Qualifications	Status
David Ansell	October 2013	BA (COMMUNICATION) GAICD	Independent
John Armstrong Chairman of the Audit and Risk Committee	May 2015	BBUS MBA MAICD	Independent
Marcus Blackmore Interim Chief Executive Officer	October 1973	ND MAICD D UNIV D LITT	Executive
Christine Holman Chairman of the People and Remuneration Committee	March 2019	PGDipBA MBA GAICD	Independent
Brent Wallace Chairman and Chairman of the Nominations Committee	October 2005	BCOMM (MARKETING) FAICD	Independent

The Board regularly assesses the independence of each Non-Executive Director. An independent Director is a Director who is not a member of management (a Non-Executive Director) and who (to the satisfaction of the Board) meets the following criteria:

- Is not a shareholder of the Company holding more than ten percent of the voting shares or otherwise associated directly or indirectly with a shareholder holding more than ten percent of the voting shares;
- Has not within the last three years been employed in an executive capacity by the Company;
- Is not a principal or employee of a professional adviser to the Company and its entities whose billings exceed five percent of the adviser's total revenues;
- Is not a significant supplier or customer of the Company or its entities or an officer of or otherwise associated directly or indirectly with a significant supplier or customer. (A significant supplier is defined as one whose revenues from the Company exceed five percent of the supplier's total revenue. A significant customer is one whose amounts payable to the Company exceeds five percent of the customer's total operating costs);
- Has no material contractual relationship with the Company; and
- Has no other interest or relationship that could interfere with the Director's ability to act in the best interests of the Company and independently of management.

The Company does not consider length of tenure as a relevant disqualifying criteria for independence and values the experience gained by the Directors in serving on the Board.

The Board considers all of its Non-Executive Directors to be independent. The majority of the Board is independent. The Company Secretary maintains the Register of Directors' Interests. Where the independence of a Director is lost, this will be immediately disclosed to the market.

The Chairman and CEO roles are to be held by different persons. Summary of duties for the Chairman and the CEO are reviewed and agreed by the Board and included in job descriptions for each role. The CEO may also be a Director of the Company.

Directors retire by rotation in accordance with clause 89 of the Constitution. Newly appointed Directors must stand for re-election at the next Annual General Meeting in accordance with clause 93 of the Constitution.

On 25 October 2018 the Board elected Mr Brent Wallace as Chairman of the Board. Mr Wallace joined the Board in October 2005 and is an independent Non-Executive Director. Mr Wallace was Chair of the Audit and Risk Committee from 2015 until being appointed Chairman of the Board in October 2018.

An orientation program is organised for new Directors to ensure that incoming Directors are familiar with the Company's business and governance practices.

Particular attention is paid to ensure that any new Directors appointed to the Board benefit from an effective induction program, designed to enable Directors to gain an understanding of:

- The Company's financial, strategic, operational and risk management position;
- Their rights, duties and responsibilities as Directors; and
- The role of the Board Committees.

It is the responsibility of the Chairman to ensure the effectiveness of this induction program, which combines review of Company information, materials/policies and meetings with key executives employed in the business.

Various Company events are organised throughout the year which the Directors attend, enabling the Directors to keep themselves engaged and up to date on key Company developments. Coupled with their more formal duties, this allows the Directors to build up a deep level of knowledge around the Company's activities and accordingly optimise their contribution to the Board.

Subject to approval by the Chairman, Directors have access to continuing education to update and enhance their skills and knowledge. This includes education concerning key developments in the Company and within the industry and environments within which it operates.

The Board is provided with the information it needs to efficiently discharge its responsibilities and in particular:

- All Directors have access to the Company Secretary;
- The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole; and
- Management is required to supply the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties.

In a typical year, eight Board meetings would be held. These formal meetings can be supplemented as required by additional meetings and/or teleconferencing. Directors meet with Management each year for two to three days to review the Strategic Plan and Budget of the Company.

PRINCIPLE 3

ACT ETHICALLY AND RESPONSIBLY

There is a Code of Conduct for Directors and employees. It aims to ensure that the Directors and employees act in a manner consistent with best practice of public and commercial business and are committed to open and transparent communications in all our dealings.

The Code of Conduct provides Directors and employees with guidance on what is acceptable behaviour. Specifically, the Company requires that all Directors, managers and employees 'are honest, trustworthy and committed to the highest standards of personal, professional and business behaviour'.

The Company considers the successful management of work health and safety, and environmental issues as vital for our employees, customers, suppliers, communities and business success.

The Code of Conduct sets out the core 'values-based' behaviours expected from employees within the Blackmores Group. It also sets out the basic behaviours expected from those with whom the Group does business including suppliers, distributors, customers, and others who may act on the Company's behalf. These behaviours are called 'the Blackmores' way' and they are focussed on 'doing the right thing' in all locations.

We are committed to:

- demonstrating fairness, honesty, reasonableness and courtesy in our interactions with others;
- acting ethically and honestly in all interactions;
- obeying all applicable laws in the countries in which we do business;
- maintaining a safe and healthy work environment,
- considering the potential consequences of our actions and how our actions will be viewed if scrutinised publicly;
- avoiding activities outside Blackmores which may compromise our responsibilities to the Company, which may conflict with commercial interests of Blackmores, or which may compromise Blackmores' reputation;
- developing and implementing sustainable practices which protect and improve the environment.

The Code is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

PRINCIPLE 4

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Blackmores is committed to a transparent system for auditing and reporting of the Group's financial performance.

The Board of Blackmores has established an Audit and Risk Committee. The Committee reports to the Board of Blackmores.

The Charter of the Audit and Risk Committee is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

The Committee has at least three members, all of whom are Non-Executive Directors, the majority of whom are independent Directors; and is chaired by an independent Director, who is not the Chair of the Board.

The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports.

Prior to the Board approval of the Company's financial statements for a financial period, the Board receives from the CEO and CFO a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the 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.

External auditors are asked to attend the Annual General Meeting and be prepared to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

The Board has a Charter of External Auditor Independence to ensure auditors are independent and have no conflicts of interest. The Charter is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

PRINCIPLE 5

MAKE TIMELY AND BALANCED DISCLOSURE

Blackmores has established policies to ensure that disclosure of all material matters concerning the Company occurs in a timely, honest and balanced manner and to ensure that all investors have equal access to material information including its position, performance, ownership and governance.

The Company is listed on the ASX and must comply with Listing Rule 3.1 (Continuous Disclosure).

Executives are made aware of the requirements and a separate Board agenda item covering the requirement of continuous disclosure is discussed at every Board meeting.

A Continuous Disclosure Policy is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

PRINCIPLE 6

RESPECT THE RIGHTS OF SHAREHOLDERS

The Company strives to convey to its shareholders and the investing public pertinent information in a detailed, regular, factual and timely manner. Information is communicated to shareholders through:

- The Annual Financial Report (for those shareholders who have requested a copy);
- Disclosures to the ASX;
- Notices and explanatory memoranda of Annual General Meetings;
- Half yearly reports and quarterly updates provide shareholders with information on performance and other matters of interest;
- An annual shareholder event; and
- Blackmores' website at blackmores.com.au.

Shareholders have the option to receive communications electronically from the registry and the Company. The Annual Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Act 2001.

Half-year Financial Statements prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act 2001 are lodged with the Australian Securities and Investments Commission and the ASX. The Financial Statements are sent to any shareholder who requests them and the shareholders' newsletter is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). Copies are lodged with the ASX.

Our internet site, blackmores.com.au also gives information on the Company's products, governance, annual reports and public announcements and is updated regularly.

External auditors are asked to attend the Annual General Meeting and be prepared to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.

Shareholders are encouraged to ask questions at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

An exclusive shareholder-only event is held annually to provide an opportunity to meet the management and to better understand the Company's operations and gain deeper insight into the business. There are no formal business matters at the event.

PRINCIPLE 7

RECOGNISE AND MANAGE RISK

The Board of Blackmores has established an Audit and Risk Committee. The Committee reports to the Board of Blackmores.

The Charter of the Audit and Risk Committee is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

The Committee has at least three members, all of whom are Non-Executive Directors, the majority of whom are independent Directors; and is chaired by an independent Director, who is not the Chair of the Board.

The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports.

It is the responsibility of the Board and management to establish, maintain, operate and demonstrate an appropriate framework of business controls. This framework covers all activities of the Company whether operational, technical, commercial, financial or administrative.

The Executive Team meets monthly to systematically review, prioritise and manage significant risks relevant to each of their respective functions.

During the FY19 year the Board assessed and confirmed its risk appetite. The Board has required management to provide a report during the FY19 year as to whether the material business risks are being managed effectively. During the financial year, both the Audit and Risk Committee and the Board were provided with reports on material risks, including an assessment of the inherent risks, and the effectiveness of controls in place to manage such risks.

The Board is responsible for monitoring the Company's system of internal controls. Reporting to the Chairman of the Audit and Risk Committee, our Head of Business Improvement and Assurance is responsible for monitoring the effectiveness of nominated key controls within the business and recommending initiatives to enhance controls and business operations. The Board constantly monitors the operational and financial aspects of the Company's activities and through the Audit and Risk Committee considers the recommendations and advice of external auditors on the financial risks that face the Company. In addition to this role, specialists are engaged to review and assess control processes. The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

The Company has in place a number of arrangements and internal controls intended to identify and manage areas of material business risk. These include the maintenance of:

- Board Committees;
- Information management systems;
- Risk register reporting;
- Detailed and regular budgetary, financial and management reporting;
- Established organisational structures;
- Standard operating procedures, manuals and policies covering all aspects of business;
- Audits (including financial, environmental and safety audits);
- Comprehensive insurance programs;
- Work Health and Safety requirements;
- Building maintenance and surveys;
- Human resources and other policies and procedures;
- Financial control policies and procedures; and
- Injury management programs for employees.

The Board's Audit and Risk Committee is expected to work closely with the Group Finance departments on the Company's financial risk management and the business units responsible for other aspects of risk management.

Based on feedback from Company management, a risk register is reviewed by the Audit and Risk Committee and progress is reported to the Board on a quarterly basis. A formal report is prepared based on the risk framework which focuses on:

- Risk Register – A full list of the material risks or inherent risks, ordered by key category (Operational/Strategic/Financial);
- Risk Priorities – the residual risks defined as "tolerable with continuous review", for priority attention; and
- Control Priorities – illustrates risks in order of highest material divergence between inherent and residual ratings.

The material risk categories reported include those associated with:

- Strategic Risks such as reputational risk due to product tampering, product recalls or risks due to demand shortfalls, failures to address competitor moves and the impact of climate change;
- Financial Risks such as high debt, exchange rate volatility, inadequate reserves, poor financial management; and
- Operational Risks such as asset loss, cost overruns, third party injury, regulatory breach and cyber risk.

The policies and procedures in place cover the following areas:

AREA OF RISK	COMMENT
Marketing	The Company has policies for the review of marketing and advertising materials, social media use and privacy. New staff receive training on these policies as part of their induction and to the extent they are relevant to their roles.
Industrial Relations	An Enterprise Agreement is in place. Letters of Employment set out employment requirements.
Company Policies	The Company has policy documents on computer ethics, harassment, emails, share trading, drugs and alcohol, etc.
WH&S	We have recently restructured our safety management organization. Separate safety improvement teams representing allocated sites and a Chain of Responsibility safety improvement team have been established to meet regularly to review safety and make recommendations to enhance safety. Representatives from these teams form the Work Health and Safety Steering Committtee to review Group safety trends and initiatives, and to make recommendations. We carry out regular audits of premises. We review our health and safety procedures. Certified first aiders are in the organisation.
Workers' Compensation	We use the insurance company's safety advisors. The Company employs an experienced return to work professional for all appropriate claims to expedite the return to work.
Induction Procedures	Detailed programmes are tailored to individual position needs and include many standard operating procedures ('SOPs'), the relevant policies and various instructions.
Building Surveys	We have yearly building surveys by our insurance carriers and adopt safety recommendations.
Legal	All key legal documents are reviewed by our external solicitors. We have a follow-up system to ensure all intellectual property agreements, leases etc are renewed or renegotiated before termination or cessation dates.
Operations	We audit our suppliers. We have closed circuit television in place at all critical access points and a key entry system to the premises. The production area is controlled by quality staff. All product purchase orders are based on strict specifications regarding quality and are confirmed upon receipt by certificates of analysis. On occasions we have an independent auditor carry out a "TGA Compliance" audit of our premises. Access to the manufacturing areas has been restricted with the use of electronic access. There is a detailed business continuity plan. The plan is periodically reviewed.
Finance	Our external auditors supply a very detailed management report. This report is reviewed by the Audit and Risk Committee. There is a detailed report given to the Audit and Risk Committee prior to the approval of the half year and yearly accounts.
Quality Assurance	As we manufacture therapeutic goods, we have a manufacturer's licence from the Therapeutic Goods Administration ("TGA"). This requires us to have a quality assurance system in place which is audited by the TGA and by an independent auditor. We employ qualified staff who monitor compliance with the TGA regulations and our Code of Good Manufacturing Practice. Our staff regularly audit our major raw material suppliers by visiting their plants. SOPs are in place to ensure appropriate process within our manufacturing area. A detailed and comprehensive training matrix is in operation to ensure the competency of all manufacturing staff. There is an ongoing review of warnings on labels.

Senior executives and management are expected to practice sensible risk management in the day-to-day performance of their duties and are required to escalate any material issues which arise or have the potential to arise. The CEO has the primary responsibility to advise the Board of material risk items which arise and together, the Board and senior management are responsible for taking all reasonable steps to address and mitigate such risk items.

Continual Updating and Monitoring of Procedures

Company procedures are continually being updated to meet changes in the law. Risks deemed unacceptable are, where possible, insured through reputable insurance companies. In some instances the Company may choose to self-insure. A Business Continuity Plan is in place and is periodically reviewed for continuous improvement.

In accordance with our practice of continuously enhancing our risk management framework our Head of Compliance continues to focus on enhancing staff awareness of legal risks and the appropriate values-based behaviours required to minimize the risk of a breach of the law occurring. This further demonstrates our commitment to maintaining legal compliance and appropriate risk management across the Group.

PRINCIPLE 8

REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established a People and Remuneration Committee whose primary responsibility is to consider the remuneration strategy and policy and to make recommendations to the Board that are in the best interests of Blackmores and its shareholders. The Committee reports to the Board of Blackmores.

The Charter of the People and Remuneration Committee is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

The Committee has at least two independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

The composition and structure of the Committee and membership attendance at meetings of the Committee are set out in the Directors' Report section of the Annual Report available at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports.

Blackmores remunerates its people fairly and responsibly. The People and Remuneration Committee has established a remuneration policy. Its principles are outlined in the Remuneration Report in the Annual Report and it is aimed at achieving the following objectives:

- Rewards for the achievement of strategic goals, financial targets and operational performance;
- Attracts and retain talented Senior Executives and Directors; and
- Aligns Senior Executives to the enhancement of Blackmores' earnings and shareholder wealth.

The FY19 short-term incentive (STI) plan was further enhanced to ensure Senior Executives were only rewarded for achievement of outcomes if they had displayed leadership behaviours during the year in line with Blackmores' values. This acted as a gateway for the FY19 STI.

Non-Executive Director Remuneration Policy and Structure

Compensation arrangements for Non-Executive Directors are recommended by the Committee to the Board for approval after reviewing published remuneration surveys and market information. Non-Executive Directors receive fixed annual fees comprising a Board fee, Committee fee and Committee Chair fee as applicable. No incentive based payments are awarded to Non-Executive Directors.

Executive Director and Senior Executive Remuneration

The remuneration policies are transparent and linked to both the individual's and Company performance. The remuneration policies and programs are underpinned by clearly defined objectives and measures with each senior executive assessed in line with Blackmores' performance management program.

Fixed and performance-related remuneration provides executives with tangible incentives to meet Blackmores' objectives and to share in the success and profitability of Blackmores in alignment with the interests of shareholders.

The executive remuneration framework consists of the following components:

Fixed Remuneration

Fixed Remuneration reflects core performance requirements and expectations. It is targeted to be reasonable and fair, taking into account Senior Executives' responsibilities and experience compared with competitive market benchmarking against companies with the relative size and scale of Blackmores' operations.

This component of remuneration includes superannuation.

Performance-based Remuneration

- Short-term incentives (STI) – are linked to clearly specified annual group targets and individual objectives and behaviours. This element of remuneration is considered to be an effective tool in promoting the interests of Blackmores and its shareholders. The STI scheme is designed around appropriate performance benchmarks primarily based on Blackmores' Net Profit After Tax performance and strategic measures.
- Staff Share Plan – All staff can elect annually to purchase shares. At the end of the year Blackmores may provide an additional benefit by matching these purchased shares on a pre-determined matching ratio subject to capping of the total cost.
- Profit Share – Executive Directors and Senior Executives participate in the same profit share plan as all permanent Blackmores staff.
- Long-term incentives (LTI) – The Executive Performance Share Plan (EPSP) was approved at Blackmores' Annual General Meeting in October 2014. Participation is open to Executive Directors and Senior Executives determined to be eligible by the Board. Under this plan, rights to acquire shares in Blackmores are granted annually to eligible Senior Executives at no cost and vest provided specific performance hurdles are met.
- Special long-term incentives (SLTI) – From time to time the Board may offer 'one-off' SLTIs to particular Executive Directors and Senior Executives in addition to the LTI as outlined above.

Link to Strategic Objectives and Performance

The following diagram illustrates how the performance-based components are structured to align with Blackmores' strategic objectives.

NOT AT RISK REMUNERATION

Remuneration Component	Delivery	Performance Measure	Strategic Objective
Fixed Remuneration	Cash, super, benefits	Job Description, Benchmarking Comparison	Staff to execute business plans

AT RISK REMUNERATION

Remuneration Component	Delivery	Performance Measure	Strategic Objective
Profit Share	Cash based (Up to $1,000 can be taken as shares)	Percentage Allocation of Group NPAT	Reward achievement of annual earnings
Staff Share Plan	Shares	Vested shares are subject to a service condition	Encourage ownership interest in Company
STI	Cash paid annually after release of the audited results	**Group Measure** NPAT achievement, Net Sales achievement and other strategic measures	Reward achievement and creation of annual earnings, sales growth and strategic objectives.
		Divisional Measure EBIT achievement	Reward achievement of specific division goals
		Individual Measure Financial – (e.g. revenue growth, operational expenditure management. Non-financial – (e.g. leadership, employee engagement, project delivery, safety).	Reward the achievement of individual performance goals
LTI	Rights to acquire shares. Where regulations prohibit an equity based plan, a cash equivalent is awarded	**Company Measure** EPS growth over prior year	Reward creation of shareholder wealth
		Individual Condition Vested shares are subject to a service condition	Executives aligned to shareholders

Blackmores' Share Trading Policy prohibits Executives from entering into any transaction which operates to hedge the exposure of unvested shares received under any share incentive plan, unless prior approval is provided by the Board. A copy of the Company's Share Trading Policy called 'Trading in Blackmores Shares' is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

The People and Remuneration Committee monitors recruitment and development policies which encourage workplace diversity both in gender and skills.

A copy of the Company's Diversity Policy is available at blackmores.com.au/about-us/investor-centre/corporate-governance.

The People and Remuneration Committee has established processes to ensure remuneration advisors are engaged by and work under the guidance of the Committee.

BLACKMORES®
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