

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

McAleese Limited

ABN/ARBN

86 156 054 368

Financial year ended

30 June 2015

Our corporate governance statement² for the above period above can be found at this URL on our website:

<http://www.mcaleese.com.au/overview/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 29 September 2015 and has been approved by the Board.

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

Date here: 12 October 2015

Sign here:



Company Secretary

Print name: Rohan Michael Abeyewardene

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.

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 <u>NOT</u> 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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p> <p>... 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):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Board Charter is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Diversity Policy is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/</p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Remuneration & Nomination Committee Charter is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2015 Directors Report available at http://www.mcaleese.com.au/mcaleese-shareholder-information/asx-announcements/</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p>N/A</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2015 Directors Report available at http://www.mcaleese.com.au/mcaleese-shareholder-information/asx-announcements/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	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><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	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><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</u>			
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><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 4)</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Code of Conduct is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<u>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</u>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u></p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 5)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Audit, Business Risk & Compliance Committee Charter is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2015 Directors Report available at http://www.mcaleese.com.au/mcaleese-shareholder-information/asx-announcements/</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		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: N/A	
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 4)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 7)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<u>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</u>			
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 policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 6) <input checked="" type="checkbox"/> at this location: The Disclosure Policy is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/	<input type="checkbox"/> 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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</u>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at these locations: http://www.mcaleese.com.au/ http://www.mcaleese.com.au/overview/corporate-governance/	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 7)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 7)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 7)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<u>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</u>			
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	[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): <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 5) ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: The Audit, Business Risk & Compliance Committee Charter is available on our website at	<input type="checkbox"/> 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 <u>NOT</u> 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; <u>OR</u></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>http://www.mcaleese.com.au/overview/corporate-governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2015 Directors Report available at http://www.mcaleese.com.au/mcaleese-shareholder-information/asx-announcements/</p> <p>[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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>N/A</p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 8)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u></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):] ... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 8)</p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		management and internal control processes: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: N/A	
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 8)	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<u>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</u>			
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): <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3) ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: The Remuneration & Nomination Committee Charter is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/ ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> at this location: 2015 Directors Report available at http://www.mcaleese.com.au/mcaleese-shareholder-information/asx-announcements/ [If the entity complies with paragraph (b):]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>N/A</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><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 9)</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 9)</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>Policy for Dealing in Securities is available on our website at http://www.mcaleese.com.au/overview/corporate-governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>N/A</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>N/A</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate governance statement

McAleese Limited

ABN 86 156 354 068

Adopted by the Board on
29 September 2015

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Corporate governance statement

1 Overview

The Board of McAleese Limited (**McAleese Group** or the **Company**) is focused on maximising performance, generating appropriate levels of shareholder value and financial return, and creating a platform for the sustainable growth and success of McAleese Group.

In conducting business with these objectives, the Board is dedicated to ensuring that McAleese Group is properly managed to protect and enhance shareholder interests, and that McAleese Group, its directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing McAleese Group including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for McAleese Group's business and which are designed to promote the responsible management and conduct of McAleese Group.

The Company's corporate governance charters and policies can be found in the Corporate Governance section of the Company's website.

2 Laying solid foundations for management and oversight

The Board has adopted a charter to provide a framework for the effective operation of the Board. The Board Charter is available in the Corporate Governance section of the Company's website. Under its charter, the Board is responsible for:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**) and the CEO's direct reports;
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- developing and reviewing corporate governance principles and policies;
- promoting diversity within all levels of the Company, including establishing a Board Diversity Policy and measurable objectives for achieving diversity at all levels of the Company and assessing annually the Company's progress in achieving them; and
- performing such other functions as are prescribed by law or are assigned to the Board.

A Delegations of Authority matrix has also been established which further details the delegation of authority from Board to management, pursuant to which the CEO is responsible for day-to-day matters of the Company.

Details of the current Directors and their qualifications, skills and experience are included in the 2015 Annual Report. The Company's senior management team biographies are also included in this report and are listed on the Company's website.

Appropriate checks are undertaken before putting a person forward to the Company's shareholders for election as a Director. All material information relevant to a decision on whether or not to elect or re-elect a Director in the Company's possession is also provided to shareholders through the Company's Notice of Annual General Meeting.

Written agreements set out the terms of the appointments of all Directors and senior executives.

Board committees

The Board has also established the Audit, Business Risk and Compliance Committee (**ABRCC**) and the Remuneration and Nomination Committee (**RNC**) to assist in the discharge of its responsibilities. Attendance at all meetings of the Board and its Committees by the Directors is detailed on page 24 of the 2015 Annual Report.

Company secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Diversity

McAleese Group is committed to facilitating a workplace where all employees are treated with respect and provided with equal access and opportunity to develop within McAleese Group, and for this purpose has adopted a Diversity Policy.

The Diversity Policy is available in the Corporate Governance section of the Company's website.

McAleese Group values diversity in the workforce as a reflection of the communities in which it operates. Diversity includes all aspects of gender, disabilities, ethnicity, background and experience. McAleese Group recognises that a diverse workforce will enhance and contribute to the future of the business.

In relation to gender diversity, the Board believes that meaningful and long-term participation of women is best achieved through training, professional development opportunities and flexible employment practices. These elements must be complemented by proactive employment and promotion practices aimed at having a capable, diverse workforce.

In order to achieve a diverse workforce, the Board has approved the following measurable objectives:

1. Increase the proportion of female participation at McAleese.

Measure: Increase the participation of females by the end of Financial Year 2020 as outlined in the below table.

	OTHER MANAGERS	MACHINERY OPERATORS & DRIVERS
FY2020 Target % of female employees	12.5%	3.1%

2. Develop and encourage transparent and equitable processes around remuneration and benefits.

Measure: Complete an analysis of gender pay equity by level in like for like roles by December 2015. Submit findings and proposed action plan to bridge any identified gaps for Board consideration in the third quarter of FY2016.

3. Maintain, enhance and promote people processes that recognise the value that increased diversity brings to McAleese.

Measure: Develop and document a clearly articulated gender diversity strategy and business case for use in promoted of diversity awareness to all employees and people leaders.

4. Provide more structured development opportunities which allow all employees to gain skills and capabilities to progress in the organisation.

Measure: Design and implement an enhanced performance review process in FY16 which incorporates inclusiveness leadership behaviours.

The progress of achieving the measurable objectives set during the prior financial year are set out below:

1. Increase the proportion of female participation at McAleese Group

Measure: Increase the participation of females in levels 2 to 4 of the organisation to at least 15% by end of FY2016.

Progress: Achieved during FY2015 with the participation of females in levels 2 to 4 of the organisation increased to 17.71%.

2. Develop and implement policies which encourage flexible work arrangements and encourage transparent processes around remuneration and benefits.

Measure: Complete and communicate policies, and monitor effectiveness by end of FY2015.

Progress: Significant progress has been made. The policies have been implemented and a comprehensive education programme to ensure all employees of the Company are briefed on the policies, and understand the rights and obligations those policies afforded to them has been initiated. The delivery of the education programme was delayed in several divisions for operational reasons, however it is expected that this programme will be completed by 30 September 2015.

3. Maintain recruitment, selection and promotion processes that recognise the value that diversity brings to McAleese Group.

Measure: Increase number of indigenous employees in our Bulk Haulage division by at least 10% p.a.

Progress: Achieved during FY2015 with 8 additional indigenous employees employed in the Bulk Haulage division.

4. Provide more structured development opportunities which allow all employees to gain skills and capabilities to progress in the organisation.

Measure: Enhanced performance review process and more structured development opportunities to be in place by end of FY2015.

Progress: Activity has commenced in FY15 on the development of an enhanced performance review process and a Learning & Development community to provide a structured development framework. This objective has been carried over and will be included in the Group's Diversity objectives for FY16 due to the impact of significant external factors that dominated activity in the second half of FY15.

The proportion of women representation across McAleese Group (based on the information included in the Company's WGEA Report 2014-15) is as follows:

Level	Percentage
Board	17%
Level 2 (CEO direct reports)	14%
Levels 3 and 4	18%
Whole organisation	10%

In relation to the above table, 'Levels' are dictated by reference to the reporting line to the Board and CEO.

Performance evaluation

McAleese Group has adopted a performance evaluation process in relation to the Board and its committees. Each year, the directors provide written feedback in relation to the performance of the Board and its committees against a set of agreed criteria. The performance of senior executives is also reviewed annually in accordance with financial and non-financial measures set by the Board.

The RNC is responsible for reviewing the senior management performance assessment processes and results.

A performance evaluation for the Board, CEO and senior executives took place during the year in accordance with the process outlined above.

3 Structuring the Board to add value

The Board comprises six directors, including a majority of independent directors and an independent Chairman.

In making an assessment of a Director's independence, the Board considers whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of McAleese Group. The Board considers the materiality of any given relationship on a case-by-case basis.

The independent Directors are set out below:

Non-executive Director	Year of appointment
Donald Telford (Chairman)	2013
Wayne Kent (Deputy Chairman)	2013
Kerry Gleeson	2014
Warren Saxelby	2015

Warren Saxelby joined the Board on 2 March 2015 following cessation of the contract Interim Chief Financial Officer role in which he operated between April and November 2014. The Board has determined that Mr Saxelby is an independent Director for the purposes of the ASXCG Recommendations on the basis that he only joined the Board following:

- cessation of his Interim Chief Financial Officer role pursuant to a finite Independent Contractor's Agreement for advisory services regarding the financial management of McAleese Group;
- the appointment of a permanent Chief Financial Officer, Mr John Russell; and
- lapse of an appropriate period of time to enable Mr Russell to establish himself in the role.

Further, while the Board considers that Gilberto Maggiolo is also able to fulfil the role of an independent Director, it recognises that, in light of his substantial shareholding in the Company (current relevant interest of 7.2%), there may exist a perception that he is not in fact independent. As a result of this potential perception, the Board has made a determination that Mr Maggiolo will not be deemed an independent Director for the purposes of the ASXCG Recommendations, notwithstanding the fact that the Board believes Mr Maggiolo's shareholding aligns his interest with those of other shareholders.

The RNC is responsible for reviewing and recommending to the Board membership of the Board, including making recommendations for the re-election of Directors and assisting the Board as required to identify individuals who are qualified to become Board members. The Remuneration & Nomination Committee Charter is included in the Corporate Governance section of the Company's website.

The RNC comprises three members, a majority of whom are independent Directors, including its Chair, Donald Telford. Further details of the membership of the RNC is set out in the Directors' Report on pages 22 to 23 of the 2015 Annual Report.

The Board, together with the RNC, reviews the skills represented by Directors on the Board and determines whether the composition and mix of those skills remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-executive Directors.

To assist the Board and RNC in this review, the Board has adopted the below skills matrix. The Board considers that it presently comprises an appropriate balance of skills, experience and other qualitative attributes.

Skills and Experience
Independence
Leadership at Board or Executive level
Experience with listed company Boards
Understanding of legal, ethical and fiduciary duties
Experience in building transport and/or logistics businesses
Accounting and/or financial acumen
History of implementing long-term strategy
Board or Executive level experience in Health, Safety and Environment oversight / management
Behavioural and Qualitative Attributes
Unequivocal honesty and integrity
Courage and willingness to challenge ideas
Able to work as a team
Demonstrates sound judgement and is decisive when required
Able to connect with stakeholders
Sufficient time available to exercise responsibilities

The Board has also adopted a director induction program and continuing education program to assist directors in developing and maintaining relevant skills and knowledge to be effective in their roles.

4 Acting ethically and responsibly

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board has adopted a formal Code of Conduct which sets out the standards of ethical behaviour and business conduct McAleese Group expects from all employees (including temporary employees, contractors and McAleese Group's Directors) in the workplace on a range of issues.

The Code of Conduct is supported by a Whistleblower Policy which was adopted by the Board to encourage employees and others to report any concerns that they may have about unethical, illegal, fraudulent or otherwise improper conduct, where reasonable grounds exist, freely and without fear of reprisal. The policy applies to all directors, employees, contractors and consultants of McAleese Group and its subsidiaries, and third parties.

The Board has also adopted a Policy for Dealing in Securities which:

- explains the types of conduct in dealing in securities that are prohibited under the Corporations Act 2001 (Cth) (**Corporations Act**). Such prohibitions apply to all directors and employees of the Company and its related bodies corporate as defined in the Corporations Act; and

- establishes a best practice procedure for the buying and selling of securities that protects the Company and Directors and employees against the misuse of unpublished information which could materially affect the value of securities.

The Board considers that compliance with this policy is essential to ensure that the highest standards of conduct are being met by all Directors and employees.

The Code of Conduct, Whistleblower Policy and Policy for Dealing in Securities are included in the Corporate Governance section of the Company's website.

5 Safeguarding integrity in corporate reporting

The ABRCC is responsible for assisting the Board in carrying out its accounting, auditing and financial reporting responsibilities.

The ABRCC comprises four Non-executive Directors (including the Chairman), the majority of whom are independent Directors. The Chairman of the Audit, Business Risk & Compliance Committee is independent Director, Wayne Kent, who is not Chairman of the Board. Further details of the membership of the ABRCC is set out in the Directors' Report on pages 22 to 23 of the 2015 Annual Report.

The ABRCC's role is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities including overseeing:

- McAleese Group's relationship with its external auditor and the external audit function generally and the internal auditor and the internal audit function generally;
- the preparation of the financial statements and reports and assisting the Board in relation to the reporting of financial information;
- McAleese Group's financial controls and systems; and
- the process of identification and management of financial risk.

The Audit, Business Risk & Compliance Committee Charter is included in the Corporate Governance section of the Company's website.

At each meeting of the ABRCC, time is set aside for the Committee to meet independently with the external and internal auditors without the presence of management, and with management without the presence of the external and internal auditors.

Before approving the Company's financial statements for a given financial period, the Board receives from the CEO and CFO a declaration that, in their opinion:

- the financial records of the entity have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view, in all material respects, of the financial position and performance of the entity; and
- the above declarations have been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects.

The Board has also adopted the Policy on Non-Audit Services which sets out protocols to promote the maintenance of auditor independence.

6 Making timely and balanced disclosure

McAleese Group has adopted a Disclosure Policy which establishes procedures aimed at ensuring that directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information to ASX as required by the Company's continuous disclosure obligations.

The Disclosure Policy is included in the Corporate Governance section of the Company's website.

7 Respecting the rights of shareholders

McAleese Group has a Communications Strategy which promotes effective two-way communication with shareholders and other stakeholders, and encourages participation at general meetings. Information is communicated to shareholders through various forums, including through the lodgement of all relevant financial and other information with ASX and by publishing information on the Company's website. Shareholders are given the option to receive communications from, and send communications to, the Company (investors@mcaleesegroup.com.au) and its share registry electronically.

All relevant announcements made to the market and any other relevant information are posted on McAleese Group's website as soon as they have been released to the ASX.

The Company's external auditor attends its AGM and is available to answer questions from shareholders relevant to the audit.

The Communications Strategy is included in the Corporate Governance section of the Company's website.

8 Recognising and managing risk

McAleese Group is committed to sound risk management practices, including the identification, monitoring and management of material business risks and for this purpose the Board has adopted a risk management policy as part of its risk management framework. The policy seeks to ensure that reasonably foreseeable risks are systematically identified, analysed, evaluated, and where necessary, addressed to ensure that risk is balanced with expected returns.

McAleese Group is exposed to a range of strategic, economic, financial, operational and social sustainability risks that are inherent in the industries in which the Company operates.

Risks that could affect the Company's results and performance include:

- customer concentration risk (e.g. reliance on Atlas Iron);
- commodity price risk;
- loss of key customers, material contracts or revenue;
- financial stability;
- matters relevant to the Company's licence to operate; and
- reduced capital investment/construction activity and increased competition.

More information on the above risks is included in the Directors' Report on pages 28 to 30 of the 2015 Annual Report.

The Audit, Business Risk & Compliance Committee supports the Board in relation to its management of risk, and regularly reviews the appropriateness of the risk management framework. This Committee also monitors the Company's internal audit program to ensure it is focused on the appropriate risk areas. The internal audit function is independent of the external auditor and has a direct reporting line to the ABRCC, and provides independent assurance and advice to the Directors in respect of the Company's systems, controls and risk management protocols. A risk based approach is adopted by the ABRCC in considering and approving the internal audit plan.

McAleese Group also recognises that acting in a responsible and sustainable manner is paramount to its continued success and enhances economic value, in addition to returns to society and the environment, and for this reason has adopted a Health, Safety, Environment and Sustainability Policy. The Board is ultimately responsible for the policy and for monitoring the performance of McAleese Group in achieving its objectives.

Changes to those strategies or the way in which they are executed will be implemented accordingly.

9 Remunerating fairly and responsibly

The RNC supports the Board by reviewing and recommending remuneration strategy and policy for the organisation.

Information about the remuneration of executive management and the Board is disclosed in the Remuneration Report on pages 32 to 48 of the 2015 Annual Report.

The Company's senior executive remuneration policy aims to set executive remuneration that is fair, competitive and appropriate for the markets in which it operates and is mindful of internal relativities. That is, the Company will aim to ensure that the mix and balance of remuneration is appropriate to reward fairly, attract, motivate and retain senior executives and team members.

Specific objectives of the Company's remuneration policy include the following:

- providing a fair and competitive fixed remuneration for all positions under transparent policies and procedures;
- linking executive rewards to shareholder value accretion by providing appropriate equity (or equivalent) incentives to selected senior executives and employees linked to long-term employee and or company performance and core values;
- providing competitive total rewards to attract high calibre executives;
- having a significant portion of senior executive remuneration at risk, dependent upon meeting pre-determined performance benchmarks, both short (annual) and long term (+3 years); and
- establishing appropriate, demanding performance hurdles for any executive equity incentive remuneration.

Appropriate remuneration policy settings are achieved by consistently applying a clear remuneration strategy directed at supporting the Board determined business strategy with appropriate and flexible processes, policies and procedures established by the Board from time to time.

Remuneration and other terms of employment for executives are formalised in individual service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STIP and LTIP is subject to the Board's discretion.

Remuneration of Non-executive Directors is determined by the Board within an aggregate Non-Executive Directors' fee pool limit which may be changed by shareholders at the

Annual General Meeting. Non-executive Directors are not entitled to participate in any incentive arrangements, nor are there any retirement benefit schemes for Directors, other than statutory superannuation contributions.

Where certain employee incentive schemes provide for the issue of performance rights or other securities, the Policy for Dealing in Securities prohibits employees from entering into any hedge transaction involving an unvested equity based incentive award or grant made by the Company, irrespective of the outcome under that incentive or grant.

The Company's Remuneration Policy Statement is included in the Corporate Governance section of the Company's website.