

Corporate governance statement

The Board is committed to achieving and maintaining high standards of corporate governance, in line with the ASX's Corporate Governance Principles. This Corporate governance statement has been approved by the Board.

Principle 1 – Lay solid foundations for management and oversight

The Board Charter sets out the Board's structure, along with its key roles and responsibilities.

The Board has also adopted a Reserved Powers Policy that sets out matters specifically reserved for determination by the Board as distinct from matters delegated to executives to manage the operations of the Group. The Board's focus is on representing and serving the interests of shareholders by setting the strategic direction for, and policies of, the Group and overseeing performance. Matters specifically referred to the Board for approval include Group strategy, financial plans, major policies, capital structure, major capital expenditure, appointment of the Managing Director and external auditor, ASX disclosures and matters involving amounts over specified limits or with potential to have a material impact on the financial position or reputation of the Group.

Responsibility for the Group's day-to-day operations, administration and management is delegated by the Board to the Managing Director. The Board has approved a Delegation of Authorities Policy to govern the delegation of the Managing Director's authorities to members of the Senior Executive Team and other levels of management throughout the Group as appropriate.

Appointment of Directors and performance assessment

The Board actively and regularly considers the composition of the Board, taking into account the duration of each Director's tenure and the competencies required by the Company.

The Company's Remuneration and Nomination Committee deals with the nomination and appointment of Directors and Board succession planning. When nominating and appointing Directors, the Board takes into account its diversity objectives and seeks a balanced mix of qualifications, age, skill, gender and experience to achieve the most favourable outcome for the Company and its shareholders. Furthermore, appropriate checks are made by the Company prior to appointing a Director or putting forward their nomination for election by shareholders. The Company has written agreements with each Director setting out the terms of their appointment.

Apart from the role of Managing Director, all Directors are subject to re-election by rotation at least every three years. Shareholders are provided with all material information in the Company's possession relevant to this decision.

At the end of each financial year, the Board assesses its performance and that of its Committees and individual members, to ensure its effectiveness in meeting shareholder expectations. In FY15 this was undertaken by a formal internal process via questionnaire.

Diversity

The Group is comprised of men and women of varying ages, ethnicities and cultural backgrounds. The Company has a Diversity Policy and a Diversity Committee which is made up of the Senior Executive Team and is chaired by the Managing Director. The Committee formally reports to the Remuneration and Nomination Committee on a regular basis.

During FY15, the Board established the following measurable objectives for achieving diversity within the Group:

1. The Group will implement initiatives to increase diversity in leadership and key positions

Progress: The group has commenced a Talent Identification and Succession Planning Program. Of the 37 employees identified as "Talent", 41% are female. When compared to the overall percentage of females in the Group (24%), the figure represents an opportunity to ensure a higher representation of females in senior positions in years to come. Of the total employees assessed for participation in the Program, 34% were female.

2. The Group will ensure equity and diversity is encouraged and improved through the revision of key policies

Progress: Flexible working has been made available to an increased number of employees throughout the year, particularly in leadership roles. The Flexible Working Policy continues to operate on an individual request basis.

3. The Group will implement a coaching and mentoring program for the nurturing of key talent, focusing particularly on recruitment, leadership and development of a diverse workforce

Progress: The coaching and mentoring arrangements first made available in 2013 have continued. This will be re-invigorated through the launch of the Talent Identification and Succession Planning Program which includes mentoring for all key talent. The commitment to a diverse workforce is the responsibility of all business leaders and initiatives supporting diversity are sponsored by the Managing Director and the Senior Executive Team.

Having met the objectives set for FY15, the Board has set new objectives for the year commencing 1 July 2015.

As at April 2015 women constituted 24% of the Group's employees, 20% of the Board and 18% of the Senior Executive Team. The Group's annual public report which was lodged with the Workplace Gender Equality Agency on 30 May 2015 can be found on the Company's website.

Performance and accountability of the Managing Director and Senior Executive Team

Upon appointment, each member of the Senior Executive Team signs a letter of engagement and is provided with an Induction Manual containing key information about the Group and its policies. Letters of engagement include terms and conditions in relation to duties, rights and responsibilities and termination.

The performance of the Managing Director and each Senior Executive Team member against key performance indicators and other performance criteria has been reviewed during FY15.

The Remuneration and Nomination Committee considers the performance of the Managing Director and members of the Senior Executive Team when formulating remuneration arrangements. During FY15 the Directors established an Executive Share-based Incentive Plan (ESBIP) to apply to eligible members of the Senior Executive Team (including the Managing Director) in lieu of previous short term and long term incentive plan arrangements. The ESBIP is intended to ensure that the relevant participants are rewarded over the medium term in broadly the same manner as the Company's shareholders. Members of the Senior Executive Team who are not participants of the ESBIP, participate in the short-term and long-term incentive plans. The short-term incentive plan contains measurable key performance indicators with respect to the financial year budget that are approved by the Board, along with individual goals. The long-term incentive plan contains incentive targets for the financial years to which each offer made under the plan applies.

The Diversity Policy and Board Charter are available on the Company's website.

Principle 2 – Structure the Board to add value

The Board is comprised of a Non-Executive Chairman (Brett Gallagher), three Non-Executive Independent Directors (Peter Dempsey, Deborah Page and Stephe Wilks) and the Managing Director (Leigh Mackender). During FY15 Robert Grant resigned as alternate director for Leigh Mackender. The Board believes that the current mix of Directors bring a broad range of complementary skills and experience to their responsibility of governing the Company. Further information about the Board (and the Company Secretary) is set out on pages 1-21 of the 2015 Annual Report.

The Company Secretary plays a role in supporting the effectiveness of the Board and its Committees and is directly accountable to the Board through the Chairman.

Committees

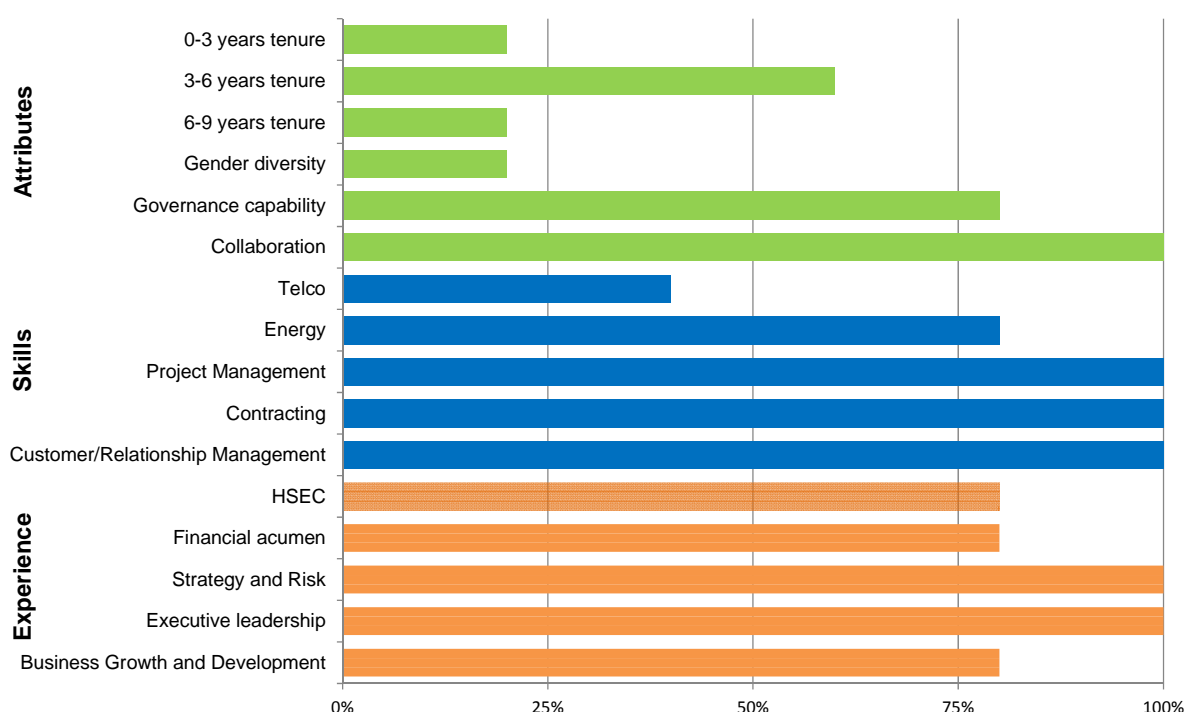
The Board has established three key Committees to assist in the execution of its duties and functions:

- Sustainability, Safety, Health and Environment Committee;
- Audit and Risk Committee; and
- Remuneration and Nomination Committee.

Each of the above Committees has its own Charter approved by the Board. For details of membership of and attendance at Committee meetings please refer to page 10 of the 2015 Annual Report.

Board Skills Matrix

The Board is committed to ensuring a diversity of skills, attributes and experience relevant to the organisation for the provision of effective governance. Our objectives are to have at least 40% representation in each of the identified skills and areas of experience, a variety of tenures and 20% gender diversity. These objectives are achieved by the construct of the current Board as outlined below.



Director's independence

The Board regularly assesses whether a Director is independent by reference to the independence and materiality criteria set out in the ASX Principles. The Board has a policy of separating the role of Chairman and Managing Director and this policy is reflected in the Board's current practice with Brett Gallagher in the role of Chairman (since March 2015) and Leigh Mackender in the role of Managing Director. As Mr Gallagher held the role of Managing Director from April - November 2013 and Executive Director from May - December 2014, he is currently deemed to not be independent. As such, the Board has appointed Mr Dempsey as the lead independent Director. All other Non-Executive Directors are independent.

Director's induction and professional development

The Company has a program for inducting new Directors and provides appropriate professional development opportunities via training provided by external parties, updates on developments in accounting standards and safety laws.

The Committee Charters are available on the Company's website.

Principle 3 – Act ethically and responsibly

The Company is committed to being a socially responsible corporate citizen.

The Board has ultimate responsibility for resolving all matters concerning ethical and responsible decision-making, with policies and practices designed to ensure the integrity of the Company is maintained and investor confidence is enhanced.

The Company has a Standards of Behaviour Policy which contains a Code of Conduct that sets out the Group's expectations in relation to matters such as honesty, protecting the environment, relations with customers, prevention of fraud, conflicts of interest, sexual harassment and discrimination, disputes with fellow employees and the protection of information. The Board and the Senior Executive Team, through their own actions, promote and foster an ethical corporate culture for the entire Group.

A Whistleblower Policy has also been established to encourage a culture of reporting matters that may cause the Group financial loss or damage to its reputation.

Directors must keep the Board advised, on an on-going basis, of any interest that could potentially conflict with that of the Group. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and does not participate when the relevant item is considered or voted on.

The Code of Conduct and Whistleblower Policy can be found on the Company's website.

Principle 4 – Safeguard integrity in corporate reporting

The Audit and Risk Committee has been established to assist the Board in providing shareholders and regulatory authorities with timely and reliable financial reports of the Company. The Committee is currently comprised of three independent Non-Executive Directors. The Committee is chaired by Deborah Page who is an independent Non-Executive Director and not Chairman of the Board. Further details on the membership of this Committee, the qualifications of members and the attendance at the meetings, please refer to pages 1-2 and 10 of the 2015 Annual Report.

Among other things, the Committee reviews audit scope, assesses the performance of and fees paid to the external auditor, liaises with the external auditor to ensure that the annual audit and half-year review are conducted in an effective, accurate and timely manner and considers whether non-audit services provided by the external auditors are consistent with maintaining the external auditor's independence. The Committee reports to the Board on financial and audit matters at each relevant Board meeting.

The Company engages PricewaterhouseCoopers as its external auditor and the policy on the procedure for the selection and appointment of external auditors and rotation of the external audit engagement partner can be found on the Company's website. PricewaterhouseCoopers attends the Company's Annual General Meeting (AGM) each year and is available to answer questions of shareholders relevant to the audit.

Prior to the approval of the financial statements the Managing Director and Chief Financial Officer provide a declaration to the Board 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 this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5 – Make timely and balanced disclosure

The Company is committed to providing timely and accurate disclosure to the market of all material matters concerning the Company. The Company has a Continuous Disclosure policy which can be found on the Company's website.

Principle 6 – Respect the rights of shareholders

The Company respects the rights of its shareholders and provides them with appropriate information and facilities to allow them to exercise their rights. The Company provides information about itself on the Company's website, in particular the "Investors" section of the Company's website, which includes a Corporate Governance area.

Furthermore the Company has an investor relations program to facilitate effective two-way communication with shareholders using various methods such as:

- the Annual Report which is made available to shareholders;
- disclosures made to the ASX;
- notices of meeting and explanatory memorandum in relation to resolutions to be put to a vote of shareholders;
- AGM at which shareholders are given an opportunity to ask questions about and comment on the performance and operations of the Company and its subsidiaries and to vote on other items of business including Director appointments. Key aspects of the 2014 AGM were recorded and made available online for shareholders who were unable to attend the meeting. It is anticipated that the practice of recording the AGM will continue for the 2015 meeting and further shareholders who are unable to attend in person will have the ability to ask questions ahead of the meeting via email (details will be provided in the 2015 Notice of Meeting). Where appropriate, these questions will be answered at the meeting;
- responding to communications from shareholders in a timely and responsive manner; and
- periodic investor presentations and briefings.

All shareholders have the option to receive communications from, and send communications to, the Company and its share registrar electronically.

Principle 7 – Recognise and manage risk

The Company has established an Audit and Risk Committee to assist the Board in identifying, assessing, monitoring and controlling the Group's material business risks.

The Managing Director, the Audit and Risk Committee and the Board recognise that they have ultimate responsibility for ensuring that the risk mitigation actions and internal control environment of the Group is fit for purpose and adequate in terms of safeguarding shareholder value. The Company has put in place a comprehensive risk management framework that has been developed in line with the recommendations contained within the *AS/NZS ISO 31000: 2009 Risk Management - Principles and Guidelines* standard.

As part of its risk management framework, the Board has adopted a Risk Management Policy to:

- implement a standard structured Group-wide approach to risk management;
- promote a culture that accepts both good and bad news, encourages personal responsibility and expects proactive identification and management of risks and opportunities; and
- monitor, address and report on risk management performance measures.

In accordance with its risk management framework, the Group has in place various processes and internal controls designed to safeguard the Group's assets, minimise its liabilities and to ensure the integrity of its reporting. The identification, assessment, monitoring and management of business risks and the internal controls environment is undertaken by the Senior Executive Team and reported to the Board on an on-going basis.

The Audit and Risk Committee reviews the Group's risk management framework and the Board's risk appetite statement annually. This occurred during FY15 and no material changes were made.

The Group established an internal audit function in FY15 which broadly has the purpose of providing analysis, testing, opinion and recommendations concerning the adequacy and effectiveness of the Group's internal controls. The head of the internal audit function has a direct line of access to the Chairman of the Audit and Risk Committee.

The Board and Management have formed the view that the Company does not currently have a material exposure to social sustainability risks. All risks relevant to economic sustainability and the environment are outlined at pages 8-9 of the 2015 Annual Report along with strategies for their management.

The Risk Management Policy can be found on the Company's website.

Principle 8 – Remunerate fairly and responsibly

The Company has established a Remuneration and Nomination Committee. The Committee is currently comprised of four Non-Executive Directors (three being independent). The Committee is chaired by Peter Dempsey who is an independent Non-Executive Director. Further details on the membership of this Committee, the qualifications of members and the attendance at the meetings, please refer to pages 1-2 and 10 of the 2015 Annual Report.

The Committee has responsibility for reviewing and making recommendations to the Board in relation to remuneration, in particular, ensuring that the Group offers remuneration which is fair and competitive, which is appropriately linked to performance and which motivates the Senior Executive Team to pursue the long-term growth and success of the Group. The Committee also reviews senior management succession plans and monitors the level and nature of Directors' remuneration to ensure it is in line with current standards. The Committee provides recommendations to the Board which, in turn, has ultimate responsibility for fair and responsible remuneration for Group personnel.

No Executive Director or other executive participates in any decision relating to their own remuneration. For the period during the year that Mr Gallagher undertook an executive role, he was paid his pre-existing Director fee and a fixed 'higher duties' allowance. Non-Executive Directors are remunerated by way of fees and statutory superannuation. The Senior Executive Team is remunerated by way of a combination of fixed salary, share based and cash incentives and superannuation.

The offer documents for all share based incentive arrangements includes a prohibition against entering into transactions which limit the economic risk of participating in the plan. Furthermore the Board has established a Securities Trading Policy which governs dealings in securities to ensure the highest standards of corporate conduct and governance.

The remuneration report (at pages 12-21 of the 2015 Annual Report) details the remuneration of Directors and Senior Management.

The Securities Trading Policy can be found on the Company's website.