

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

**Name of entity:**

RUBICOR GROUP LIMITED

**ABN / ARBN:**

74 110 913 365

**Financial year ended:**

30 June 2018

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: <https://www.rubicor.com.au/investors>

The Corporate Governance Statement is accurate and up to date as at 28 September 2018 and has been approved by the board. The annexure includes a key to where our corporate governance disclosures can be located.

Date: 28 September 2018

Sharad Loomba  
Chief Operating Officer & Executive Director

<sup>1</sup> 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.

<sup>2</sup> "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.

<sup>3</sup> 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 ... <sup>4</sup>	
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <a href="https://www.rubicor.com.au/investors">https://www.rubicor.com.au/investors</a></p>	
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

<sup>4</sup> 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.

<b>Corporate Governance Council recommendation</b>		<b>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</b>	<b>We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...<sup>4</sup></b>
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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:	the fact that we follow this recommendation: <input checked="" type="checkbox"/> 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 ... <sup>4</sup>
<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>1.6 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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives;</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in</p>	

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 ... <sup>4</sup>	
<p>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>paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>		
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>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</p>	<p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> 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 NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
	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.	
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.	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and the length of service of each director: <input checked="" type="checkbox"/> 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 ... <sup>4</sup>
	director.		
2.4	A majority of the board of a listed entity should be independent directors.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.		<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
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	... 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	

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 ... <sup>4</sup>
<p>directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial</p>	<p>... the fact that we follow this recommendation:</p>	



<b>Corporate Governance Council recommendation</b>		<b>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</b>	<b>We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...<sup>4</sup></b>
	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.	<input checked="" type="checkbox"/> 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	
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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: <input checked="" type="checkbox"/> 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 ... <sup>4</sup>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
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 <a href="https://www.rubicor.com.au/investors">https://www.rubicor.com.au/investors</a>	<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	
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	
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	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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	[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: <input checked="" type="checkbox"/> 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 ... <sup>4</sup>
<p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		
<p>7.2 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><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

<b>Corporate Governance Council recommendation</b>		<b>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</b>	<b>We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...<sup>4</sup></b>
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 (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: <input checked="" type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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:	[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: <input checked="" type="checkbox"/> 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 ... <sup>4</sup>
<p>(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</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		
<p>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>	<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</p>	
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>	

<b>Corporate Governance Council recommendation</b>	<b>We have followed the recommendation in full for the whole of the period above. We have disclosed ...</b>	<b>We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...<sup>4</sup></b>
<p>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>		

## RUBICOR GROUP LIMITED 2018 CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the **Board**) is responsible for the overall corporate governance of Rubicor Group Limited (the **Company** or **Rubicor**) including adopting appropriate policies and procedures designed so that Rubicor is properly managed and to protect and enhance shareholder interests. The Board has adopted, as a guiding principle, that it act honestly, conscientiously and fairly in accordance with the law and in the interests of the shareholders with a view to building sustainable value for them, the Company's employees and other stakeholders of the Company.

This Corporate Governance Statement (**Statement**):

- reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in this Statement are current as at 28 September 2018; and
- was approved by the Board and is available on the Company's website <https://www.rubicor.com.au/investors> then scroll to "Corporate Governance", where the governance-related documents referenced in this Statement are also available.

This Statement as required by ASX Listing Rule 4.10, reports within the framework of the 3<sup>rd</sup> edition ASX Principles to the extent as described in this Statement and where the Company's corporate governance practices have not followed the ASX Principles, the Board has provided its reasons for not following the ASX Principles and disclosed what, if any, alternative practices the Company has or will adopt instead of those in the ASX Principles.

The Board current comprises three directors. At this stage, the Board considers that for governance and practical purposes, the functions and responsibilities that have previously been undertaken by committees, is undertaken by the Board as a whole. The Board Charter outlines the governance functions and responsibilities previously undertaken by committees.

### **Principle 1: Lay solid foundations for management and oversight**

#### Recommendation 1.1

The Board is responsible for the management of the affairs of the Company and its subsidiaries including:

- strategic and financial performance;
- Executive Management;
- strategic planning;
- performance evaluation;
- audit and risk management;
- remuneration and human resources; and
- nomination matters and corporate governance.

The role of Senior Management is to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board is to oversee the activities of Management in carrying out these delegated duties. The Board approves all delegations of authority to Management. The delegations of authority document was adopted on 28 July 2017.

Responsibilities reserved for the Board are contained in the Board Charter. Management is responsible for the day to day operations of the Company in line with Board approved delegations of authority.

#### Recommendation 1.2

In determining candidates for the Board, the Board follows a prescribed process under the Director Selection and Appointment Policy (contained in the Board Charter) where it will evaluate the mix of skills, experience, expertise and diversity of the existing Board. In particular, the Board is to identify the particular skills and diversity that will best increase the Board's effectiveness.

Consideration will also be given to the balance of independent Directors. Potential candidates will be identified and, if relevant, the Board will consider an appropriate candidate for appointment to the Board. Any appointment made by the Board will be subject to approval by shareholders.

At the commencement of the Non-executive Director selection process, the Company undertakes appropriate checks on potential candidates to consider their suitability to fill a casual vacancy on the Board or for election as a Non-executive Director.

Prior to their appointment, candidates are required to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that they will have adequate time to fulfil their responsibilities as a Non-executive Director of the Company.

Directors available for re-election at a general meeting will be reviewed by and considered by the Board. Directors are re-elected in accordance with the Company's Constitution and the ASX Listing Rules. Shareholders will be provided with all material information for a Director's election in the Notice of Meeting that would be relevant for shareholders to make a decision on whether or not to elect or re-elect a Director, such as the Director's qualifications, experience and contribution to the Board and a statement by the Board as to whether it supports the election.

#### Recommendation 1.3

Newly appointed Non-executive Directors receive formal letters of appointment setting out the key terms and conditions of their appointment, responsibilities and expectations of their appointment and remuneration. All Senior Executives enter into executive services contracts with the Company, which set out in detail the responsibilities specifically delegated to them.

#### Recommendation 1.4

Each Director has access to the Company Secretary who is responsible to the Board through the Chairman on all matters relating to governance and the conduct and function of the Board.

#### Recommendation 1.5

The Company is committed to workplace diversity, with a particular focus on improving the representation of women at the senior level of the Company and the Board, and to facilitate



this has adopted a Diversity Policy. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. The Board is responsible for establishing measurable objectives for achieving gender diversity and to assess annually the objectives and progress in achieving them.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Diversity Policy, which takes into account the recommendations and guidance provided by the ASX Principles to the extent practicable, provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all employees;
- improved employment and career development opportunities for women;
- a work environment that values and uses the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all employees of their rights and responsibilities with regard to fairness, equity and respect for all aspects of diversity.

In FY2015, Rubicor developed measurable objectives to achieve the objectives set out in the Diversity Policy, including identifying ways in which achievement of gender diversity is measured. The measurable objectives are as follows:

- embedding of diversity awareness and objectives into the day-to-day operations of the organisation to become part of the way we do business, through newsletters, conferences and other communication forums with staff;
- retain top talent by ensuring a workplace supportive of all employees' success, irrespective of gender, age, ethnicity and cultural background, through endorsement and delivery of a range of programs, events and policies; and
- ongoing improvement of core talent processes (performance, development and career) to ensure diversity and transparency.

Set out below is the percentage of female employees at the following levels as at 28 September 2018:

<i>Group</i>	<i>% Female as at 28 September 2018</i>
<i>Board</i>	<i>0</i>
<i>Group Executive*</i>	<i>40.0</i>
<i>Senior Managers**</i>	<i>42.3</i>
<i>Whole Organisation</i>	<i>63.0</i>

\* Consists of the general managers of the individual brands and the director of client services/OD Consulting

\*\* Consists of team leaders and managers

Rubicor is a reporting entity within the Workplace Gender Equality Act 2012 (Cth) (**WGEA Act**). Rubicor's Workplace Gender Equality Agency public report will be available at

<https://www.wgea.gov.au/report/public-reports>. Please note that the WGEA Act report include contractors and therefore the percentages differ from those disclosed above, which only contain permanent employees who are not subcontracted to clients.

### Recommendations 1.6 and 1.7

The Board Charter outlines the responsibility for the performance review of the Board, the Chairman of the Board and the individual performance of all Directors and Senior Management.

#### **Board**

The performance evaluation process involves the Chairman meeting with each Director and to assess the performance of the Board and individual Directors as well as the members of the Senior Management team. Observations and feedback from these interviews are then communicated to, and discussed amongst the Board and to agree on any actions to improve performance.

The Board did not conduct a performance evaluation during the reporting period as the Board determined that since it comprises three Directors (two of which are Executive Directors) the conduct of a performance evaluation would not be practical or beneficial for the Board.

#### **Senior Management**

The performance evaluation process involves

- the Chief Operating officer conducting with each general manager a performance review, measured against key performance indicators which align with the Company's strategy.
- The Chief Executive Officer conducting a performance review of the Chief Operating Officer and Chief Financial officer, measured against key performance indicators which align with the Company's strategy.

In addition to this, regular meetings with general managers are conducted by the Chief Executive Officer and Chief Operating Officer.

The performance review process above was undertaken during the reporting period.

### **Principle 2: Structure the Board to add value**

#### Recommendation 2.1

The nomination and corporate governance functions are the responsibility of the Board, not a separate committee. These responsibilities include:

- overseeing the composition of the Board;
- reviewing the performance of the Board as a whole and the individual members of the Board;
- ensuring that proper succession plans are in place for the Executive Directors and other Senior Management;

- implementing good governance standards and appropriate corporate governance policies for the Company;
- critically reviewing the Company's performance against its corporate governance policies; and
- ensuring it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Further information on the Board's nomination and corporate governance function is contained in the Board Charter.

#### Recommendation 2.2

The Board determined that since it comprises three Directors (two of which are Executive Directors) the development of a Board skills matrix would not be practical or beneficial for the Board. The composition and broad range of commercial skills and specific industry knowledge of the existing Board fulfils the Company's current requirements.

#### Recommendation 2.3

The following table outlines the Directors of the Company during the reporting period, including their period of office, non-executive and independent status.

Name	Appointment date	Cessation date	Non-executive status	Independence status
David Hutchison	22 June 2015	-	x	x
Angus Mason	20 August 2015	-	✓	x
Sharad Loomba	20 August 2015	-	x	x

The criteria to determine the independence of a Director is contained in the Board Charter, paragraph 3.3.

#### ***Independent professional advice and access to the Company's information***

The Board Charter provides that a Director is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense, on any matter connected with the discharge of his or her responsibilities. A Director must obtain the approval of the Chairman prior to seeking such advice. Where appropriate, a copy of this advice is to be made available to all other members of the Board. Each Director also has the right of access to the Company's information and to the Company's Executives.

#### Recommendation 2.4

Currently, the Board does not have a majority of independent Directors. David Hutchison and Sharad Loomba are Executive Directors and therefore not independent. Angus Mason is a Non-executive Director but not independent as he is a director of Cashel Investments Pte Ltd, a substantial shareholder of the Company. The Board considers that at this stage of the Company's operations, it is not necessary to have a majority of independent directors.

### Recommendation 2.5

Under the Board Charter, the Chairman of the Board should be a Non-executive Director.

During the reporting period, the roles of the Chairman and Chief Executive Officer were exercised by the same individual. The Board believed that David Hutchison was appropriately qualified to be charged with the role and responsibility of Executive Chairman given his previous experience in senior management and leadership positions.

### Recommendation 2.6

New Directors undergo an induction process in which they will be given a full briefing on the Company. Where possible, this will include meetings with Directors, key executives, tours across the Company's operations, a Board manual and presentations from key management.

To achieve continuing improvement in Board performance and to enhance the skills of Board members, all Directors are encouraged to undertake training and professional development, as appropriate, at the Company's expense. This includes education concerning key developments in the Company and in the industry and environment in which the Company operates.

## **Principle 3: Act ethically and responsibly**

### Recommendation 3.1

#### **Code of Conduct**

The Company has adopted a written Code of Conduct, which applies to all of the Company's Executives and Non-executive Directors, officers, employees, contractors and consultants.

The purpose of the Code of Conduct is to ensure that:

- high standards of corporate and individual behaviour are observed by all employees in the context of their employment with the Company;
- employees are aware of their responsibilities to the Company under their contract of employment and always act in an ethical and professional manner;
- legal, ethical and other obligations to legitimate stakeholders are complied with; and
- all persons dealing with the Company, whether it be employees, shareholders, suppliers, clients or competitors, can be guided by the stated values and practices of the Company.

Employees are encouraged to report any potential breaches of the Code, and the Company ensures employees are not disadvantaged for any reports made in good faith. The Company will deal with any reports promptly and fairly.

#### **Conflicts of Interests**

Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest. If a Director considers there may be a conflict, the Director is required to:

- immediately inform the Board of the potential conflict; and
- abstain from voting on any motion relating to the matter and be absent during all Board deliberations relating to the matter.

At each board meeting a standing item is for directors to report any further conflicts of interest and standing conflicts have been noted.

### **Share Trading Policy**

The Company has adopted a Share Trading Policy in line with ASX Listing Rules and Guidance Note 27 issued by the ASX in respect of trading policies to regulate dealings by the Company's executives and non-executive Directors, officers, employees, contractors and consultants (**Employees**). All Employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the Employee's personal interests and those of the Company and its clients.

The Company is keen to promote shareholder and general market confidence in the integrity of the Company's internal controls and procedures, and to provide guidance on avoiding any breach of the insider trading laws.

## **Principle 4: Safeguard the integrity in corporate reporting**

### Recommendation 4.1

The audit and risk management functions are the responsibility of the Board, rather than a committee of the Board. These responsibilities include:

- fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, the audit process, and the Company's process for monitoring compliance with laws and regulations and the Company's Code of Conduct;
- determining the scope of any internal audit function and ensuring its resources are sufficient and used appropriately;
- reviewing of internal audit performance (if there is an internal audit function) and independence;
- the adoption and application of appropriate ethical standards and management of the Company and the conduct of the Company's business;
- supervising the Company's risk management framework (such framework is described under a separate heading "Risk management" later in this Statement); and
- reviewing the adequacy of the Company's insurance policies.

The Board also monitors the independence of the Company's external auditor. The Board must approve in advance the terms of engagement of the external auditor to perform audit and related work. Any non-audit work to be performed by the external auditor must be approved by the Board and, in doing so, the Board ensures the external auditor's independence and integrity is maintained. The lead engagement audit partners of the Company's external auditor will be rotated from the engagement after five years.

The Board is responsible for reviewing the performance of the external auditor, and the selection and appointment of the external auditor. The Board is responsible for the re-

appointment of the current external auditor or a tender process to select a new external auditor.

Prior to approval of the half year and full year financial results of the Rubicor Group, the external auditor presents to the Board its report on the review and audit of the financial statements. This provides the Board the opportunity to engage with the external auditor to ensure that the Board can independently verify and safeguard the integrity of the Rubicor Group's corporate reporting. The Board also meets with the external auditor, independent of Management, and with Management independent of the external auditor. The Board has adopted a number of improvements on the safeguard the integrity of its corporate reporting.

Further information on the Board's audit and risk management functions is contained in the Board Charter.

#### Recommendation 4.2

Prior to the Board's approval of Rubicor's half year and annual financial reports, the Chief Executive Officer and Chief Financial Officer must provide the Board with declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

For the half year ended 31 December 2017 and the financial year ended 30 June 2018, the Chief Executive Officer and Chief Financial Officer made the declarations to the Board in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

#### Recommendation 4.3

Rubicor's external auditor attends each Annual General Meeting (**AGM**) and is available to answer shareholder questions about the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements of the Company and the independence of the auditor in relation to the conduct of the audit.

### **Principle 5: Make timely and balanced disclosure**

#### Recommendation 5.1

The Company takes its disclosure obligations seriously and seeks to comply with the spirit as well as the content of the ASX requirements. The Company has adopted a Continuous Disclosure Policy in relation to information disclosures and relevant procedures.

The Policy sets out principles that the Company will apply in relation to the disclosure of material information, including that the Company:

- will not give analysts or other select groups of market participants any material price sensitive non-public information at any time;
- will not generally respond to market rumours and speculation except where:
  - the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in the Listing Rules no longer applies;

- the ASX formally requests disclosure by the Company on the matter; or
- the Board considers that it is appropriate to make a disclosure in the circumstances; and
- will only allow authorised company spokespersons to make any public statement on behalf of the Company.

#### **Principle 6: Respect the rights of security holders**

##### Recommendation 6.1

The Company respects the rights of its shareholders. To facilitate the effective exercise of those rights, the Company has adopted a Shareholder Communications Policy to:

- promote effective communications with shareholders of the Company;
- ensure all information relevant to their shareholding is disseminated to shareholders; and
- encourage effective participation by shareholders at the Company General Meetings.

The Company's website contains a comprehensive overview of the Company's profile and brands. In particular, its "Corporate Governance" section contains information to maintain effective communication with shareholders and stakeholders. The following Company and governance information is available on the website:

- Board and Management profiles;
- Constitution;
- Corporate governance charters and policies;
- Annual reports – current and historical;
- Share price information; and
- Share Registry contact details.

##### Recommendation 6.2

The Company will hold its AGM in November 2018. In the lead up to the AGM, the Company will facilitate effective two-way communications with shareholders. The Executive Chairman, Chief Financial Officer and Chief Operating Officer will engage with shareholders in advance of the AGM as appropriate.

The Company recognises the importance of its relationships with investors and analysts. The Executive Chairman is the primary contact for communicating with the investment community.

##### Recommendation 6.3

To encourage shareholder engagement and participation at the AGM, shareholders have the opportunity to attend the AGM, ask questions in advance of the meeting and on the floor, participate in voting and meet the Board and management in person.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the Notice of Meeting or online through the Share Registry's website. Shareholders have the opportunity to submit written questions to the Company and the external auditor, or make comments on the management of the Company and access AGM presentations and speeches made by the

Executive Chairman prior to the commencement of the AGM. The Company will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

#### Recommendation 6.4

Shareholders have the option of receiving all shareholder communications (including notification of the Annual Report is available to view, Notices of Meetings and payment statements) by email. Shareholders can contact Computershare Investor Services Pty Ltd (Computershare), the Company's share registry to elect to receive electronic shareholder communications.

The contact details of Computershare are available to shareholders to address and facilitate any shareholder-related enquiries. Contact details for Computershare are available on Rubicor's website at <http://www.computershare.com.au> with methods of communication including telephone, mail and email.

Shareholders can also contact the Company directly. Contact details for the Company are available on Rubicor's website at: <https://www.rubicor.com.au/investors> - scroll to Share registry, with methods of communication including telephone, mail and email.

### **Principle 7: Recognise and manage risk**

#### Recommendation 7.1

Refer to disclosure under Recommendation 4.1 in respect of information on the Board's risk management function and responsibilities.

#### **Risk Management Policy**

The Company has a risk management framework to allow it to achieve its business objectives whilst assisting Management and ideally, providing early warnings of risks. The Risk Management Policy, covering both financial and operating risks, documents this framework. The objective of this Risk Management Policy is to:

- encourage appropriate tolerance of risks across all the Company businesses;
- establish procedures to analyse risks within agreed parameters across all the Company businesses;
- establish appropriate risk delegations and corresponding frameworks across the Company; and
- ensure the Company has in place a risk framework which can measurably react should the risk profile change.

Key components of the Risk Management Policy which bring together a number of procedures and controls within the Company are as follows:

- identification and assessment of all risks;
- monitoring and wherever possible, mitigation of identified risks;
- periodic reporting; and
- assessment of effectiveness of the risk management framework.



The Risk Management Policy outlines guidance on the identification of commonly identified risks relevant to Rubicor, such as:

- financial risks;
- operations risks; and
- combined risks.

The Board is responsible for ensuring that effective risk management programs are in place to protect Rubicor's assets and shareholder value. The National WHS Risk & Assurance manager reports to the board once a month to assess identified risks as recorded on the risk register and review mitigation strategies.

#### Recommendation 7.2

During the reporting period, the Board did not review the Company's risk management framework, however necessary assurances were given by the Chief Executive Officer and the Chief Financial Officer to the Board at the time of approving the financial statements for the half year ended 31 December 2017 and full year ended 30 June 2018. In FY2019, the Board will review the risk management framework and actively engage with management to satisfy itself that it continues to be sound.

#### Recommendation 7.3

The Board has formed the view that due to the current size and structure of the Company, it is not necessary for it to have a separate internal audit function. This function falls under the responsibility of the Chief Financial Officer with the assistance of Senior Management; the Board ultimately oversees this function. The Board considers that the risk mitigation and controls implemented by Management provide an acceptable degree of assurance to the Board.

#### Recommendation 7.4

The Board recognises that material risks facing Rubicor are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of its objectives and successful implementation of its business strategies.

The material risks (generally economic) facing the Company are as follows:

- downturn in the employment market;
- industry and market;
- loss of contracts;
- maintenance of professional reputation and brand name;
- competition;
- contractor risk; and
- government regulations on immigration.

The Board will consider these material risks as part of its periodic risk management review, on an as required basis upon advices from Management, including the Chief Executive Officer and Chief Financial Officer.

The Board does not consider that the Company has any material exposure to environmental and social sustainability risks.

## **Principle 8: Remunerate fairly and responsibly**

### Recommendation 8.1

The remuneration and human resources functions are the responsibility of the Board, rather than a committee of the Board. The Board endeavours to ensure that:

- the Directors and the Executive Management team of the Company are remunerated fairly and appropriately;
- the Company's remuneration policies and outcomes strike an appropriate balance between the interests of the Company's shareholders, and reward and motivate the Company's executives and employees in order to secure the long term benefits of their energy and loyalty;
- the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Company as determined by the Board; and
- the organisation achieves the objectives set out in the Diversity Policy.

The Board also reviews and approves executive and senior management remuneration including, but not limited to, base pay, incentive payments, equity awards and service contracts and identifying any gender based disparities between comparable positions. The Board may seek such advice from any external parties or professional advice as it may consider necessary or desirable to ensure informed decision making.

Further information on the Board's nomination and corporate governance function is contained in the Board Charter.

### Recommendation 8.2

In relation to remuneration issues the Board has established a remuneration philosophy to ensure that it remunerates fairly and responsibly.

The remuneration philosophy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees.

The structure of executive remuneration is distinctly different to that of Non-executive Directors as detailed in the Remuneration Report. Executive Officers and Senior Management acting in their capacity as employees of the Company and subsidiaries may receive a mix of fixed and variable pay, and a blend of short and long-term incentives. Non-executive Directors may receive only fixed remuneration. There are no retirement schemes in place for the Non-executive Directors, other than statutory superannuation benefits.

The Remuneration Report and details about the Remuneration Philosophy of the Company are set out in the Annual Report.

### Recommendation 8.3

As prescribed in the Company's Share Trading Policy, executives are not permitted to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.