



The Manager, Listings  
Australian Securities Exchange  
ASX Market Announcements  
Level 14, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

15 August 2016

Dear Sir,

**SG Fleet Group Limited - Corporate Governance Statement**

We attach the following:

1. A completed ASX Appendix 4G in accordance with ASX Listing Rule 4.7.3; and
2. A copy of the Corporate Governance Statement in accordance with ASX Listing Rule 4.7.4.

A copy of the 2016 Annual Report has been provided separately in accordance with ASX Listing Rule 4.5A.

Yours faithfully

Sarah Edwards

**Company Secretary**

**sgfleet Australia**

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Pymble, NSW 2073  
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**SG Fleet Group Limited**

ABN 40 167 554 574

[www.sgfleet.com](http://www.sgfleet.com)

## Appendix 4G

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

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

SG Fleet Group Limited
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**ABN / ARBN**

40 167 554 574
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**Financial year ended:**

30 June 2016
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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: <http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement>

The Corporate Governance Statement is accurate and up to date as at 15 August 2016 and has been approved by the board.

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

Date: 15 August 2016

Name of Director or Secretary authorising lodgement: Sarah Edwards (Company Secretary)

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<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	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... 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): <input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement">http://investors.sgfleet.com/Investors/?page=Corporate-Governance-Statement</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<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.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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>
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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies--Practices">http://investors.sgfleet.com/Investors/?page=Policies--Practices</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></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>
1.6	<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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></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>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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 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, 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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies---Practices">http://investors.sgfleet.com/Investors/?page=Policies---Practices</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> in the Directors' report, which is contained in the 2016 Annual Report located at: <a href="http://investors.sgfleet.com/Investors/?page=Annual-Reports">http://investors.sgfleet.com/Investors/?page=Annual-Reports</a></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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input 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>
2.2	<p>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>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input 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>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Board-of-Directors">http://investors.sgfleet.com/Investors/?page=Board-of-Directors</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<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 <u>OR</u> <input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies---Practices">http://investors.sgfleet.com/Investors/?page=Policies---Practices</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
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; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies---Practices">http://investors.sgfleet.com/Investors/?page=Policies---Practices</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> in the Directors' report, which is contained in the 2016 Annual Report at: <a href="http://investors.sgfleet.com/Investors/?page=Annual-Reports">http://investors.sgfleet.com/Investors/?page=Annual-Reports</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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>
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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<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.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies---Practices">http://investors.sgfleet.com/Investors/?page=Policies---Practices</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<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.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Governance">http://investors.sgfleet.com/Investors/?page=Governance</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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



## Key to Disclosures Corporate Governance Council Principles and Recommendations

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 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Board-Committees">http://investors.sgfleet.com/Investors/?page=Board-Committees</a></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies---Practices">http://investors.sgfleet.com/Investors/?page=Policies---Practices</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at In the Directors' report, which is contained in the 2016 Annual Report at: <a href="http://investors.sgfleet.com/Investors/?page=Annual-Reports">http://investors.sgfleet.com/Investors/?page=Annual-Reports</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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>
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> [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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://investors.sgfleet.com/Investors/?page=Policies---Practices">http://investors.sgfleet.com/Investors/?page=Policies---Practices</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at In the Directors' report, which is contained in the 2016 Annual Report at:</p> <p><a href="http://investors.sgfleet.com/Investors/?page=Annual-Reports">http://investors.sgfleet.com/Investors/?page=Annual-Reports</a></p> <p>[If the entity complies with paragraph (b):]</p> <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 <i>[insert location]</i></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>
8.2	<p>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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></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>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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

**SG Fleet Group Limited**  
**Corporate Governance Statement**

The Board of Directors (the 'Board') of SG Fleet Group Limited (the 'Company') is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the security holders, by whom they are elected and to whom they are accountable.

This Corporate Governance Statement meets the requirements under ASX Listing Rule 4.10.3 and outlines the key corporate governance principles and practices in place. The Corporate Governance Statement reports the Company's compliance against each of the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (3<sup>rd</sup> Edition) during the reporting period.

This Corporate Governance Statement has been approved by the Board and is current as at 15 August 2016.

Principles and Recommendations	Response	Compliance	
<b>Principle 1 – Lay solid foundations for management and oversight</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The Board has adopted a Board Charter, which formalises the roles and responsibilities of Board and management. The Board Charter is disclosed in full on the Company's website.  The Board Charter defines the matters that are reserved for the Board and specific matters that are delegated to management. The Board is responsible for the overall corporate governance and overall business performance of the Company. Management is responsible for implementing Board strategy as well as the efficient and effective operation of the Company on a day-to-day basis. The Chief Executive Officer ('CEO') oversees the implementation of the strategies approved by the Board and is accountable to the Board for all authority delegated to the senior executive team. The Board has adopted a Delegation of Duties and Powers that sets limits of authority for management.	Complies
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company undertakes comprehensive reference checks prior to appointing a Director, or prior to putting that person forward as a candidate, to ensure that person is competent, experienced and would not be impaired in any way from undertaking the duties of a Director.  The Company provides relevant information to security holders for their consideration about the attributes of candidates, together with a statement whether the Board supports the appointment or re-election.	Complies
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The terms of the appointment of a Non-Executive Director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required Committee work and other special duties, requirements to disclose their relevant interests that may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.  Executive Directors and senior executives are issued with service contracts that detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.	Complies

**SG Fleet Group Limited**  
**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 Company Secretary reports directly to the Board through the Chairman and is accessible to all Directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes: <ul style="list-style-type: none"><li>• advising the Board and its Committees on governance matters;</li><li>• monitoring compliance of the Board and associated Committees with policies and procedures;</li><li>• coordinating all Board business, including agendas, Board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings;</li><li>• retaining independent professional advisors;</li><li>• ensuring that the business at Board and Committee meetings is accurately minuted; and</li><li>• assisting with the induction and development of Directors.</li></ul>	Complies
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1.5	<p>A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>The Company recognises the importance of being an inclusive employer and has a strong commitment to equal opportunity and diversity, with a focus on gender diversity. Diversity drives the Company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality of service to customers, and achieve sustained growth.</p> <p>The Company celebrates the diverse range of cultural backgrounds and experiences of its employees and is committed to providing equal employment opportunities and a work environment that is free from harassment, discrimination and workplace bullying.</p> <p><b>Gender Diversity</b></p> <p>As at 30 June 2016, the Company's workforce was made up of 48% women and 52% men. The change in representation of women in executive positions is the consequence of the acquisition of nlc and the appointment to the executive of its managing director.</p> <table border="1" data-bbox="564 853 1316 1043"> <thead> <tr> <th rowspan="2">Gender Representation</th> <th colspan="2">30 June 2015</th> <th colspan="2">30 June 2016</th> </tr> <tr> <th>Women</th> <th>Men</th> <th>Women</th> <th>Men</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>20%</td> <td>80%</td> <td>14%</td> <td>86%</td> </tr> <tr> <td>Executive</td> <td>24%</td> <td>76%</td> <td>22%</td> <td>78%</td> </tr> <tr> <td>Group</td> <td>48%</td> <td>52%</td> <td>48%</td> <td>52%</td> </tr> </tbody> </table> <p>The executive group is defined as senior executive positions reporting to the CEO, Chief Financial Officer ('CFO'), and Managing Director, Australia.</p> <p>The change in gender representation percentages at Board level is the consequence of the addition of one Board member and the change of one Alternate Director to Director.</p> <p>Gender diversity objectives and progress achieved during FY16 are outlined below:</p> <p><b>Objective 1: To continue to work towards a diverse workforce including balanced gender representation at Board and Senior Management Level.</b></p> <p><b>Progress:</b> At Board and Senior Management Level, diversity has been identified as a key area of focus for the Company. During the Workplace Gender Equality (WGEA) reporting period, more than half (55%) of promotions into management positions were filled by female employees.</p> <p><b>Objective 2: Development of strategies to specifically support gender equality in accordance with WGEA best practice guidelines such as remuneration, recruitment and promotion.</b></p>	Gender Representation	30 June 2015		30 June 2016		Women	Men	Women	Men	Board	20%	80%	14%	86%	Executive	24%	76%	22%	78%	Group	48%	52%	48%	52%	Complies
Gender Representation	30 June 2015			30 June 2016																							
	Women	Men	Women	Men																							
Board	20%	80%	14%	86%																							
Executive	24%	76%	22%	78%																							
Group	48%	52%	48%	52%																							

**Progress:** This year, the Company has implemented a scholarship program (Accelerated Leadership Performance) for female employees through a partnership between Women in Leadership Australia (WLA) and the Australian School of Applied Management (ASAM).

The aim of the program is to enable more rapid transition of female managers into self-directed leadership positions and in turn see more female employees achieve their leadership potential.

Additionally, a structured performance-based bonus structure is in plan for commencement during FY17. This new structure will ensure a consistent and objective approach to reward and will be supported by the implementation of a new performance and talent management system which will give greater visibility to all potential employees for promotion, regardless of gender.

**Objective 3: To manage unconscious bias in recruitment practices by having the Human Resources Manager oversee the interview process including, but not limited to the Internal Recruitment Consultant interviewing all candidates in addition to line managers. If required, staff may be required to undergo training to enable them to recognise and eliminate unconscious bias in their work practices.**

**Progress:** The priority when recruiting is ensuring an appropriate mix of experience, expertise and qualifications regardless of age, nationality, gender, religious beliefs, sexuality or physical ability. A recruitment software system has been implemented during the reporting period, ensuring all candidates, both internal and external, are managed through a single source and evaluated at Human Resources level prior to shortlisting for line manager consideration. Wherever possible, the interview panel includes a male and a female interviewer.

**Objective 4: To agree to requests for flexible work arrangements where the business is not impacted.**

**Progress:** The Company's Flexible Work Policy has been reviewed to include the different types of flexibility that may be considered as part of a request. Requests are approved where the arrangement does not have an adverse impact to the business or customer. 84% of requests for flexibility received as at 30 May 2016 were approved.

**Objective 5: Assess the merit of a job evaluation system for FY16 implementation. This system will assess the size and complexity of management positions and provide for an analytical comparison, assisting with remuneration benchmarking, recruitment and promotion.**

**Progress:** The development of a structured performance-based bonus structure noted at 2. has taken priority over the assessment of a job evaluation system at this time, however is under consideration as a future strategy.

The Company is compliant with Workplace Gender Equality Agency reporting requirements and was issued with a notice of compliance for the 2015/2016 reporting period.

This report can be viewed at [www.wgea.gov.au](http://www.wgea.gov.au).



1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	<p>The Board reviews its performance annually as well as the performance of its Committees in accordance with the process outlined in the Board Charter (which is disclosed in full on the Company's website).</p> <p>The review for the current financial year occurred during May 2016 and was led by the Chairman. The process included a Board and Committee performance assessment survey completed by all Directors, together with individual interviews with each Director conducted by the Chairman.</p>	Complies
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	<p>The Company has a process in place to evaluate performance at all levels of the business. The performance measures are aligned to strategic objectives by way of a 'Performance Scorecard' and 'Quality Gates', which evaluate 'People' and 'Business Management' drivers.</p> <p>The Board reviews the performance of the CEO and CFO annually. Each Director has an opportunity to provide feedback to the Chairman in regards to performance of the CEO and CFO. The Chairman provides a consolidated report to each senior executive. A review of the performance of the CEO and CFO was undertaken by the Board in May 2016.</p> <p>The Board also reviews the performance of other senior executives annually. The CEO provides a report to the Board on the performance of senior executives, together with remuneration recommendations that must be approved by the Board after consultation with the Nomination and Remuneration Committee. The last review of senior executives in accordance with this process was undertaken in May 2016.</p>	Complies

**Principle 2 – Structure the Board to add value**

2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge,	<p>The Company has established a Nomination and Remuneration Committee, comprising Andrew Reitzer (Chairman of the Committee and independent Non-Executive Chairman of the Company), Cheryl Bart AO (independent Non-Executive Director), and Peter Mountford (Non-Executive Director, but not independent as he is a nominee of the Company's majority shareholder, Super Group). The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p>	Complies
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	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.	<p>The Board skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience, including skills such as leadership, governance, strategy, finance, risk, IT, HR, policy development, international business and customer relationship. External consultants with specialist knowledge may be brought in to address areas where there is an attribute deficiency in the Board.</p> <p>The Board skills matrix can be found in the addendum to this Corporate Governance Statement (Addendum A).</p>	Complies
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<p>Details of the Board of Directors, their appointment date, length of service and independence status are as follows:</p> <p><b>Andrew Reitzer</b>  Appointment date: 12 February 2014  Length of service at reporting date: 2 year  Independence status: independent Non-Executive</p> <p><b>Cheryl Bart AO</b>  Appointment date: 15 January 2014  Length of service at reporting date: 2 year  Independence status: independent Non-Executive</p> <p><b>Graham Maloney</b>  Appointment date: 15 January 2014  Length of service at reporting date: 2 year  Independence status: independent Non-Executive</p> <p><b>Peter Mountford</b>  Appointment date: 12 February 2014  Length of service at reporting date: 2 year  Independence status: non-independent Non-Executive, being a nominee of the Company's majority shareholder, Super Group</p> <p><b>Edwin Jankelowitz</b>  Appointment date: 18 August 2015  Length of service at reporting date: 1 year  Independence status: independent Non-Executive</p> <p><b>Robbie Blau</b>  Appointment date: 15 January 2014  Length of service at reporting date: 2 year  Independence status: non-independent Executive and CEO.</p> <p><b>Kevin Wundram</b>  Appointment date: 18 August 2015  Length of service at reporting date: 1 year</p>	Complies

		<p>Independence status: non-independent Executive and CFO.</p> <p>Further information on the Directors is detailed in the 'Information on Directors' section of the Directors' report.</p>	
2.4	A majority of the board of a listed entity should be independent directors.	<p>The Board consists of seven Directors, including the Chairman.</p> <p>The majority (four) of the Board's Directors are independent – refer response to Recommendation 2.3 above.</p>	Complies
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>Andrew Reitzer is the Chairman and is an independent Non-Executive Director.</p> <p>Andrew Reitzer is the Chairman and Robbie Blau is the CEO.</p>	Complies
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>New Directors undertake an induction program coordinated by the Company Secretary on behalf of the Nomination and Remuneration Committee. The program includes strategy briefings, explanations of company policies and procedures, governance frameworks, cultures and values, company history, Director and executive profiles and other pertinent company information. A Director development program is also available and is coordinated by the Company Secretary to ensure that Directors can enhance their skills and remain abreast of important developments to enable them to discharge their Director obligations as effectively as possible.</p>	Complies

**Principle 3 – Act ethically and responsibly**

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>The Board has adopted a Code of Conduct, which expresses the core values that drive the Company's behaviour and aspirations.</p> <p>These are: to focus on delivering excellence to the Company's customers; to always act in a trustworthy manner, affirming the Company's integrity; to reward initiative, leadership and innovation; to encourage mutual respect, collaboration and knowledge sharing; to foster a culture of ownership and accountability and recognise the contribution and importance of each person; and to provide a positive and dynamic workplace environment, placing importance on the achievement of work/life balance.</p> <p>The Board of Directors and all employees are expected to adhere to the values and standards in the Code of Conduct.</p> <p>The Code of Conduct is disclosed in full on the Company's website.</p>	Complies
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**Principle 4 – Safeguard integrity in corporate reporting**

4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and	<p>The Company has established an Audit, Risk and Compliance Committee, comprising Graham Maloney (Chairman of the Committee and independent Non-Executive Director), Cheryl Bart AO (independent Non-Executive Director), Edwin Jankelowitz (independent Non-Executive Director), and Peter Mountford (Non-Executive Director but not independent as he is a nominee of the Company's majority shareholder, Super Group). The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p>	Complies
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**SG Fleet Group Limited**  
**Corporate Governance Statement**

	<p>experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Details of the qualifications and experience of the members of the Committee are detailed in the 'Information on Directors' section of the Directors' report.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p>	
4.2	<p>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.</p>	<p>For the financial year ended 30 June 2016 and the half year ended 31 December 2015, the Company's CEO and CFO provided the Board with the required declarations.</p>	Complies
4.3	<p>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.</p>	<p>The engagement partner for the Company's audit attends the AGM and is available to answer questions from security holders that are relevant to the audit.</p>	Complies

<b><i>Principle 5 – Make timely and balanced disclosure</i></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.	<p>The Company has adopted a Continuous Disclosure Policy to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001.</p> <p>The Company's Continuous Disclosure Policy is disclosed in full on the Company's website.</p>	Complies
<b><i>Principle 6 – Respect the rights of security holders</i></b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company maintains information in relation to governance documents, Directors and senior executives, Board and Committee charters, annual reports, ASX announcements and contact details on the Company's website.	Complies
6.2 & 6.3	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).</p>	The Company has adopted an investor relations policy (titled 'Communications Strategy'), which is disclosed in full on the Company's website. The Company uses its website ( <a href="http://www.sgfleet.com">www.sgfleet.com</a> ), annual and interim reports, market announcements, and presentations to communicate with its security holders. The Company encourages security holders to attend its AGM. Ad hoc enquiries can be made via the Company's dedicated investor enquiries email address, which is found on the Company's website.	Complies
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 Company's website contains a facility for security holders to direct enquiries to the Company electronically. Security holders can elect to receive communications from the Company electronically by contacting the Company's share registry.	Complies

<b>Principle 7 – Recognise and manage risk</b>			
7.1 & 7.2	<p>The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).</p> <p>The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).</p>	<p>The Board maintains a combined Audit, Risk and Compliance Committee.</p> <p>The members of the Committee are detailed in Recommendation 4.1 above.</p> <p>The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p> <p>The Audit, Risk and Compliance Committee reviews the Company's risk management framework annually to ensure that it continues to be suitable for the Company's operations and objectives and that the Company is operating within the risk parameters set by the Board. As a consequence of the last review undertaken for the financial year ended 30 June 2016, no significant recommendations were made.</p>	Complies
7.3	<p>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.</p>	<p>The Company maintains a dedicated internal audit function. The function's role is to provide the Board and management with independent and objective assurance on the effectiveness of governance, risk management and internal control processes. The internal audit function is responsible for the testing of all internal controls and procedures of the Company. The head of internal audit is appointed by the Board and reports to the Audit, Risk and Compliance Committee, which determines the internal audit scope and budget each year, monitors the performance of the internal audit function and approves recommendations for implementation. The internal audit function works closely with the CFO and is given unrestricted access to the books and records of the Company. The internal audit function operates independently of but cooperatively with external audit</p>	Complies

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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.	The management of the Company and the execution of its business strategies are subject to risks that could adversely impact the Company's future development. An overview of the Company's risks and their management can be found in the addendum to this Corporate Governance Statement (Addendum B).	Complies
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<b>Principle 8 – Remunerate fairly and responsibly</b>			
8.1	<p>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.</p>	<p>The Board has established a Nomination and Remuneration Committee and has adopted a Nomination and Remuneration Committee Charter.</p> <p>The members of the Committee are detailed in Recommendation 2.1 above.</p> <p>The majority of the Committee members and the Chair are independent, thereby satisfying this Recommendation.</p> <p>The Charter of the Committee is disclosed in full on the Company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of Directors' section of the Directors' report.</p>	Complies
8.2	<p>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>The remuneration of Non-Executive Directors, Executive Directors and other Key Management Personnel ('KMP') is disclosed in the Directors' report.</p>	Complies
8.3	<p>A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.</p>	<p>The use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company that are subject to escrow arrangements is prohibited. Where a Director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed.</p> <p>The Board of Directors, employees and connected persons are required to adhere to the procedures for buying and selling of securities in accordance with the Policy for Dealing in Securities. The Policy for Dealing in Securities is disclosed in full on the Company's website.</p>	Complies

*The full text of the Company's policies or charters adopted by the Company is disclosed on the Company's website at [www.sgfleet.com](http://www.sgfleet.com).*



**Addendum**

**A. Board Skills Matrix**

The table below sets out the skills that the Board considers required and confirms that those skills form part of the Board's existing experience.

Skill	Requirements Overview	Board Experience
<b>General Experience</b>		
Legal	Legal Experience	✓
Technology	Knowledge of IT governance, including privacy, data management and security	✓
Finance	Experience in accounting and finance	✓
Human Resources	Experience in managing human capital, remuneration and reward, industrial relations, safety, and strategic workforce planning	✓
Risk and Compliance	Experience in identifying and managing risks as they relate to an organisation, and managing regulatory compliance	✓
Acquisitions and Integration	Experience in acquisitions and post-acquisition integration	✓
Debt and Equity Raising	Experience in capital raising	✓
Multi-country Experience	Experience gained in positions outside Australia	✓
Non-Executive Director Experience		✓
Executive Director Experience		✓
<b>Other Experience</b>		
Commercial Experience	Possesses a broad range of skills across communications, marketing and business operations	✓
Executive Management	Experience at an executive level, including the ability to appoint and evaluate executive performance and lead organisational change	✓
<b>Industry Specific Experience</b>		
Fleet and Asset Management		✓
Leasing		✓
Treasury and Funding		✓

**B. Risks and management overview**

The following is not an exhaustive list of all risks the Company is exposed to, but those considered by management to be the principal material risks:

**1. Inability to predict future market movements in the used vehicle market**

Operating lease arrangements are structured such that the Company is responsible for making a residual value payment to the third-party funder at the end of the lease term, regardless of actual proceeds from the sale of the vehicle. However, used vehicle prices are subject to fluctuation due to factors that are outside of the control of the Company and such fluctuations in used vehicle prices during the lease period may cause the Company to incur losses on termination of the lease.

**Management**

The Company has developed strict management processes to manage residual value risk. These include: (a) a disciplined residual value review and valuation process, with strong governance, including Board oversight and external audit; (b) an experienced data management team, with significant knowledge of the automotive industry; (c) access to vehicle pricing data from internal sources and external providers; (d) well-developed technological platforms that allow extensive market analysis and regular reporting; (e) the efficient and timely inspection and pricing of repairs upon return of the vehicle; and (f) the maintenance of strong relationships with manufacturers, wholesalers and key dealerships. These processes allow the Company to continuously monitor the market, review and monitor its fleet's current and expected residual value, and price proactively in line with its findings.

## **2. Failure to obtain funding or appropriately priced funding**

The Company's business model depends on third-party funders to provide funding for its customers entering into finance leases, operating leases or novated leases. The Company has entered into principal and agency arrangements with a limited number of funders to provide the majority of its required funding across each of its products. Some of these arrangements are terminable by the funder without cause on short notice.

### **Management**

The Company maintains a panel of funders and has established and long-standing relationships with individual funders, reducing the risk of termination of arrangements and providing alternative funding sources should the requirement arise. The Company's product diversification (which includes unfunded fleet management) also reduces the risk and severity of loss of access to any individual funder. In addition, the Company consistently seeks to develop new and alternative product, funding and delivery channels to reduce dependencies.

## **3. Significant change to the Fringe Benefits Tax Act, including the removal of the statutory formula**

Demand for novated leases is driven by the tax concessions available to lessees under existing FBT legislation. There can be no assurance that there will be no regulatory changes in the future that may have a material effect on demand for novated leases.

### **Management**

The Company maintains regular contact with government and decision makers to create an open dialogue regarding the current legislation and its impact on those relying on the Company's services. The Company is a member of an industry association representing major companies to which the legislation is of relevance. The association provides decision makers with information on which to base their assessment of the need for any changes to legislation. The Company's strategy includes diversification of product offerings for the salary packaging segment to include consumer loans and other products that are not impacted by FBT legislation. These efforts help minimise the risk of changes and allow the Company to mitigate against any impacts should changes occur.

## **4. Failure to maintain a compliance environment that ensures the business meets its regulatory, legislative, industry and contractual obligations**

The Company's activities, operations and corporate practices are governed by a significant number of regulations and laws, including those related to its status as an ASX-listed entity. Failure to meet these regulations and laws may negatively impact its competitive position or its ability to attract finance via investment markets.

### **Management**

The Company has in place a number of measures to ensure its compliance with relevant regulations and laws. These measures include: review of proposed legislation relating to the Company's activities by internal and external experts; maintenance of memberships of regional industry bodies; maintenance of ISO certification and/or Quality Framework; appropriately delegated authorities; strict adherence to all terms and obligations of contracts and associated SLAs; adequate and appropriate insurance cover at all times and compliance with the terms of the policies to avoid repudiation; and enhancement of systems to ensure timely response/compliance.

## **5. Inability to effectively respond to change**

The industry in which the Company operates undergoes rapid change in terms of services and products offered, technological innovation, competitive environment and industry structure. Failure to plan ahead for and respond to such changes may fundamentally undermine the Company's ability to compete successfully.

### **Management**

The Company actively monitors industry, product and technological developments, both in its existing markets and globally. On the basis of the resulting findings, the Company maintains and adapts a strategy that allows it to stay abreast of market changes. This strategy governs the proactive development of new products and delivery channels. The Company also continually enhances the necessary systems to ensure it can execute this strategy and respond to changes in a timely manner.