

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

carsales.com Limited

ABN/ARBN

91 074 444 018

Financial year ended:

30 June 2020

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

This URL on our  
website:

<http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance>

The Corporate Governance Statement is accurate and up to date as at 18 August 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 18 August 2020

Name of authorised officer  
authorising lodgement:

Nicole Birman

<sup>1</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.

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 Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> 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.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <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 director or senior executive or putting someone forward 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</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.

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) 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>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a></p> <p>and we have disclosed the information referred to in paragraph (c) in our corporate governance statement</p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out 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>1.6 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 for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our corporate governance statement.</p>	<p><input type="checkbox"/> set out 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>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p><a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND 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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5) in our corporate governance statement.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out 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 that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix in our corporate governance statement.</p>	<p><input type="checkbox"/> set out 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>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation 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 or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the names of the directors considered by the board to be independent directors in our corporate governance statement</p> <p>and, where applicable, the information referred to in paragraph (b) in our corporate governance statement</p> <p>and the length of service of each director in our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <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 for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our corporate governance statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5) in our corporate governance statement.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>..... <i>[insert location]</i></p>	<p><input type="checkbox"/> set out 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><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out 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.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our corporate governance statement.	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement



Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</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><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5) in our corporate governance statement.</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed 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 at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p>.....</p> <p><i>[insert location]</i></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our corporate governance statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks in our corporate governance statement.</p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</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><input checked="" type="checkbox"/> [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a> and the information referred to in paragraphs (4) and (5) in our corporate governance statement.</p> <p>[If the entity complies with paragraph (b):] and we have disclosed 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>..... [insert location]</p>	<p><input type="checkbox"/> set out 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>
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><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p><a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a></p>	<p><input type="checkbox"/> set out 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>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue or a summary of it at: <a href="http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance">http://shareholder.carsales.com.au/Investor-Centre/?page=Corporate-Governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed 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.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM 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; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



FY20 Corporate Governance Statement  
ABN 91 074 444 018

carsales  com Ltd

## Introduction

The Board of carsales.com Ltd (the **Company**) is responsible for the governance of the Company and its controlled entities (the **Group**).

The Board is committed to achieving and demonstrating the highest standards of corporate governance and transparency, and ensuring that good corporate governance is a fundamental part of the culture and business practice of the Group.

The Board also continually reviews the governance framework and practices of the Company to ensure that they meet the interests of all stakeholders.

A description of the Group's main corporate governance practices are set out in this report.

All of these practices, unless otherwise stated, were in place for the entire year and comply with the *ASX Corporate Governance Principles and Recommendations (Fourth Edition)*.

## The Board of Directors

(Corporate Governance Principles and Recommendations 1.1, 1.3, 1.4, 2.3, 2.4, 2.5)

### Board responsibilities

The Board adopted a formal charter in July 2012 (updated in July 2019) which details its functions and responsibilities.

A copy of the Board Charter is available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre/>.

The Board's responsibilities, as detailed in the Board Charter include:

- protecting and enhancing the value of the assets of the Company;
- setting the strategic direction of the Company and monitoring and reviewing strategic objectives;
- reviewing and ratifying internal controls, codes of conduct and legal compliance;
- reviewing the Company's accounts;
- reviewing and approving the operating budget and strategic plan for the Company;
- evaluating performance and determining the remuneration of the Managing Director;
- ensuring the significant risks facing the Company have been identified and adequate control monitoring and reporting mechanisms are in place;
- approval of transactions relating to acquisitions, divestments and capital expenditure above delegated authority limits;
- approval of financial and dividend policy; and
- appointment of the Managing Director.

### Matters specifically reserved for the Board

The Board has reserved for itself the following matters, which are in addition to any matters expressly required by law or other regulation to be approved by the directors:

- setting the corporate objective of the Company and approving business strategies and plans of the Company designed to meet that objective;
- reviewing the composition of the Board and Board Committees, the independence of directors, the Board's performance and carrying out succession planning for the Chair and other non-executive directors;
- reviewing the performance of management and the Company, including in relation to corporate governance, risk management, internal controls and compliance frameworks, systems, policies and processes adopted by the Company;
- appointing and removing the Managing Director and carrying out succession planning for the Managing Director as applicable;
- reviewing the performance of the Managing Director, his/her remuneration and contractual arrangements;
- appointing and removing Senior Executives on the recommendation of the Managing Director;
- reviewing the remuneration of Senior Executives on the review and recommendation of the Managing Director;
- appointing and removing the Company Secretary;
- dealing with any matters in excess of any specific delegations that the Board may from time to time delegate to the Managing Director and Senior Executives; and
- approving the communication to shareholders and to the public of the half-year and full-year results and generally any public statements which reflect issues of the Company's policy or strategy that the Board deems material.



## Board Composition and Independence

The Company's constitution includes provisions for the number of directors, casual vacancies and additional directors, appointment and removal of directors by General Meeting and retirement of directors. The Company's constitution specifically provides that the Company is to have not less than three, nor more than twelve directors.

At the date of this Corporate Governance Statement, the Board consists of the following directors:

Name	Position	Date appointed	Length of service
<b>Mr Cameron McIntyre</b>	Managing Director and CEO	17 March 2017	3 years
<b>Mr Pat O'Sullivan</b>	Independent Non-Executive Chair	29 June 2007, appointed to Chair 4 January 2019	13 years
<b>Mr Wal Pisciotta OAM</b>	Non-Independent Non-Executive Director	25 June 1996	24 years
<b>Ms Kim Anderson</b>	Independent Non-Executive Director	16 June 2010	10 years
<b>Ms Edwina Gilbert</b>	Independent Non-Executive Director	27 April 2016	4 years
<b>Mr Kee Wong</b>	Independent Non-Executive Director	9 July 2018	2 years
<b>Mr David Wiadrowski</b>	Independent Non-Executive Director	23 May 2019	1 year

Board biographies are available in the 2020 Annual Report and which is available from <http://shareholder.carsales.com.au/Investor-Centre>.

The Board has one alternate director, Mr Steven Kloss, who was appointed on 28 October 2005 by Mr Pisciotta. The role of the alternate director is to attend Board meetings and act as a voting alternate for the appointing full director if he is unable to attend a Board meeting. Mr Kloss is invited to all Board meetings to remain abreast of the matters affecting the Company which enables him to act effectively in the Alternate Director role, but does not vote in respect of Board decisions unless Mr Pisciotta is absent.

As can be seen from the above table, a majority of the Company's directors are independent, and the Chair of the Board is independent.

All directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgment.

The independence of each of the non-executive directors is reviewed by the Board, at least annually. In assessing the independence of directors, the Board has regard to the provisions of the ASX Corporate Governance Council, 'Corporate Governance Principles and Recommendations' (Fourth edition).

The Company defines an independent director as a non-executive director (i.e. not a member of management) who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of his or her unfettered and independent judgment and ability to act in the best interests of the Company.

When assessing the independent status of a director, the Board will consider whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;

- has within the last three years been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or another Group member other than as a director;
- has close family ties with any person who falls within any of the categories described above; and
- has been a director of the entity for such a period that his or her independence may have been compromised.

In assessing each director's independence the Board will consider the effect of a director's business and other relationships and interests from the perspective of both the Company and the director. The Board may determine that a director is independent notwithstanding the existence of a relationship of the kind referred to above.

It is considered that all non-executive directors are independent except Mr Wal Pisciotta due to his shareholding and previous role as Chairman of Pentana Solutions Pty Ltd, which has historically had a material contractual relationship with the Company.

Ms Edwina Gilbert is involved in automotive dealerships which use the Company's services. All dealings with the relevant dealerships are on arm's length terms, identical to those of other dealerships using the Company's services. The Board recognises the value of having its most significant customer base represented on the Board and does not consider the existence of standard contractual arrangements between the Company and entities associated with Ms Gilbert to impact her independence.

Mr David Wiadrowski is a former partner of the Company's auditor PwC and is entitled to receive payments from PwC as part of a retirement plan. However he did not have any dealings with the Company in his role at PwC, and his ongoing payments from the firm are based on a set formula relating to his partnership and tenure. The amount of these payments is fixed and is not dependent on the revenues, profits or earnings of PwC. The Board carefully considered these factors prior to appointing Mr Wiadrowski to the Board and has determined that they do not preclude him from acting as an independent non-executive director of the Company.

Finally, the Company notes that its Chair Mr Pat O'Sullivan, has served on the Board for 13 years. The Board believes that Mr O'Sullivan continues to act as an effective independent director. He demonstrates unwavering willingness to question, challenge and provide independent counsel to the Board and Senior Executives based on his extensive skills and experience and has not formed associations with management of the Company that are considered to impact his ability to exercise independent judgement.

The Board greatly values the corporate history provided by its longer serving members, Mr Pisciotta, Mr O'Sullivan and Ms Anderson. The tenure of these directors is well-balanced against the four new directors appointed over the last four years as part of the Company's Board renewal program.

### **Board diversity**

All members of the Board are strong supporters of the Company's efforts in achieving diversity and inclusion. In particular, the Remuneration and Nomination Committee includes diversity factors in its consideration of the qualities desired for new candidates and in the general Board renewal plans.

### **Board Committees**

The Board has established three committees to assist it in the administration of its responsibilities.

These are an Audit Committee chaired by Mr David Wiadrowski, a Remuneration and Nomination Committee chaired by Ms Kim Anderson and a Risk Management Committee chaired by Ms Edwina Gilbert. Each Board committee operates under a formal charter that is made publicly available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre/>.

Further details of the committees, their composition and responsibilities are set out in the relevant sections of this report.

### **Relationship between directors and management**

Subject to the Company's constitution and matters specifically reserved for the directors, the directors delegate responsibility for day-to-day management of the Company to the Managing Director. The non-executive directors do not participate in the day to day affairs or management of the Company.

### **Role of the Chair**

The role of the Chair is set out in the Board Charter and includes being responsible for managing the Board effectively, providing leadership to the Board and being the interface with the Managing Director.

The Chair has the authority to act and speak for the Board and liaise with the Company's stakeholders between meetings, subject to any agreed consultation processes.

The performance of the Chair is assessed by the Board annually.

### **Role of the Managing Director**

The Managing Director has responsibility for the day-to-day management of the Company, providing leadership and managing and overseeing the interfaces between the Company and the public and acts as the principal representative for the Company.

### **Role of the Company Secretary**

The Company Secretary, Ms Nicole Birman, is directly accountable to the Board and reports to the Chair in respect of all matters of Board operation. All directors are able to communicate directly with the Company Secretary and vice versa.

The role of the Company Secretary includes:

- monitoring that Board policy and procedures are being followed;
- coordination of Board business, including agendas, papers and accurately capturing the business of the Board and committees in minutes;
- facilitating the induction of new directors; and
- attending to governance and regulatory matters.

### **Access to independent professional advice**

The Board and each Board committee has authority to retain, at the Company's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

An individual director may engage separate independent counsel or advisors, at the expense of the Company in appropriate circumstances.

### **Management of conflicts and declaration of interests**

The Company has and follows strict procedures for the management of any real or potential conflicts of interests involving directors. These procedures comply with Corporations Act requirements, and are designed to ensure that conflicted directors do not take part in the discussion or decision-making process on potential conflict-causing issues. On this basis, it is believed that a director who may be conflicted on a particular matter is able to maintain his or her independence on all other issues.

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. The Corporations Act and the Company's constitution require directors to disclose any

conflicts of interest and, in certain circumstances, to abstain from participating in any discussion or voting on matters in which they have a material personal interest.

It is expected that directors will be sensitive to actual and perceived conflicts of interest that may arise and it is something to which they are expected to give ongoing consideration in view of the dynamic and rapidly changing nature of the Company's business.

The Board has developed procedures which must be followed:

- by a director who believes he or she may have a conflict of interest or material personal interest;
- for the holding of or the continuation of a meeting where it is proposed that a meeting will discuss any matter which gives rise or may give rise to a conflict or a real sensible possibility of a conflict of interest; and
- for the monitoring and reporting of a director's interest to ensure that the company complies with the obligations pursuant to the Corporations Act and the ASX Listing Rules.

The Company maintains a register of director's interests that all directors are required to keep up to date with any related parties to themselves and other interests that may be relevant to the Company.

Entities connected with the directors that had material business dealings with the Group during the year are described in the 2020 Annual Report which is available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>. In accordance with the Board Charter, the directors concerned declared their interests in those dealings to the Company and took no part in decisions relating to them or the preceding discussions. In addition, those directors did not receive any papers from the Company pertaining to those dealings.

## Board Skills and Appointments

(Corporate Governance Principles and Recommendations 1.2, 1.3, 2.1, 2.2, 2.6)

### Board Skills Matrix

Each year, the Board assesses the skills and experience present on the Board and considers this alongside the skills and experience that are desirable to be represented on the Board.

The Board conducted its annual review of its skills and experience for FY20 and the results are set out below:

Skill / Experience	No of directors / 7
<b>Executive management, leadership &amp; strategy</b> Directors who have experience at an executive level, who are able to properly evaluate the performance of the CEO and Senior Executives and oversee strategic organisational and human resources initiatives.	7
<b>Governance / risk management</b> Experience sufficient to identify, assess and monitor key risks in the Company in a wide range of areas.	7
<b>ASX experience</b> Experience on the Board or as a Senior Executive for an ASX listed company, providing a familiarity with ASX rules including the requirement for continuous disclosure.	6
<b>Finance / Accounting</b> Qualification or extensive experience in accounting and / or finance and the ability to analyse and critically assess financial statements, viability and performance; contribute to strategic financial planning; and oversee budgets and funding arrangements.	6
<b>Legal</b> Qualification or extensive experience in the law, with the ability to contribute to the assessment of the legal risk profile of the Company.	3
<b>Marketing</b> Knowledge and experience in the strategic use of marketing and its inter-relationship with sales and product.	5
<b>People &amp; culture</b> Experience in managing people, including the ability to evaluate the CEO and Senior Executive performance, oversee strategic human resource management, workplace culture and the promotion of diversity and inclusion.	7
<b>IT / product</b> Knowledge and experience in the strategic use of information technology and design of product, particularly in relation to online businesses.	6
<b>Business development / M&amp;A</b> Knowledge and experience in identifying and assessing business development opportunities, in particular experience in negotiating, assessing commercial terms and completing mergers and acquisitions.	6
<b>Industry knowledge – automotive</b> Knowledge, experience and networks in the automotive industry, either through direct involvement or through the provision of services to the industry.	4
<b>Industry knowledge – online</b> Knowledge, experience and networks in the online industry, with a keen understanding of current trends and the ability to discuss upcoming developments.	6
<b>International experience</b> Knowledge and experience in markets outside of Australia, particularly experience in geographical areas in which the Company has interests, including Asia and Latin America.	5

Relevant information relating to each Board member is set out in the Company's Annual Report to shareholders. In addition, information about directors up for election or re-election is contained in the notice of meeting for the relevant Annual General Meeting sent to shareholders. This provides shareholders with sufficient information to form a view on each director's role and their suitability for election or re-election.

The Board considers that all necessary skills and experience are adequately represented on the Board.

### **Remuneration and Nomination Committee**

The Board has established a Remuneration and Nomination Committee which consists of the following four directors, three of which are independent:

- Ms Kim Anderson - Committee Chair
- Ms Edwina Gilbert
- Mr Kee Wong
- Mr Wal Pisciotta

When a new director is to be appointed, the Remuneration and Nomination Committee reviews the range of skills, experience and expertise on the Board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. The Remuneration and Nomination Committee ensures that appropriate checks are undertaken prior to appointing a director. These checks may include references and police checks. Where necessary, advice is sought from independent search consultants.

The Board then appoints the most suitable candidate who must stand for election at the next Annual General Meeting of the Company.

The responsibilities the committee may undertake in its nomination function include:

- considering the appropriate size and composition of the Board;
- establishing plans for identifying, assessing and enhancing director competencies;
- establishing processes for evaluation of the performance of the Board, its committees and directors;
- reviewing the skills, experience and expertise represented on the Board and determining whether those skills meet the required skills identified;
- recommending changes to the membership of the Board;
- making recommendations to the Board on candidates it considers appropriate for appointment;
- reviewing a retiring non-executive director's performance and making recommendations to the Board as to whether the Board should support the nomination of a retiring non-executive director; and
- reviewing the Company's succession planning to maintain an appropriate balance of skills, experience and expertise on the Board.

A copy of the Remuneration and Nomination Committee Charter is made publicly available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre/>.

During the course of FY20 there were 6 meetings of the Remuneration and Nomination Committee. Details of attendance of those meetings are:

Director name	Number of Remuneration and Nomination Committee meetings during tenure	Number of Remuneration and Nomination Committee meetings attended
Kim Anderson (Chair)	6	6
Edwina Gilbert	6	6
Kee Wong	6	5
Wal Pisciotta	6	5

### **Appointment & re-election of Board members**

The Company has developed a 'Procedure for the selection and appointment of directors' which is made publicly available in the Investor Centre of the Company website.

In addition to the specific skills, knowledge and experience deemed necessary for a suitable candidate, consideration is given to:

- the extent to which the candidate is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors;
- the integrity of the candidate;
- whether the candidate would be prepared to question, challenge and offer critiques;
- whether the candidate had a proven track record of creating value for shareholders;
- a commitment by the candidate to the highest standards of governance;
- the nature of existing positions held by the candidate including directorships or other relationships and the impact that each may have on the candidate's ability to exercise independent judgment; and
- whether the candidate will bring an independent point of view to the Board's decision making process.

The composition of the Board is reviewed annually by the Board and the Chair to assess the Board's effectiveness.

### **Induction and training of directors**

Non-executive directors do not have formal service contracts with the Company. The appointment of any new director is made by, and in accordance with, a formal letter of appointment which details the key terms and conditions relative to that appointment, including:

- term of appointment, and the requirement to stand for election at the next Annual General Meeting following appointment, and at least every three years thereafter;
- time commitment expected;
- duties and responsibilities;
- remuneration;
- disclosure obligations; and
- confidentiality.

All new directors appointed undertake an induction program, coordinated by the Company Secretary, to assist them in fulfilling their duties and responsibilities and to gain an in depth understanding of the Group. The induction program includes one on one meetings with the Managing Director, Chair and each other Director as well as each Senior Executive of the Company and gaining an understanding of the various codes of conduct and charters of the Board and Company.

The induction program ensures that new directors are appropriately introduced to the Company, its operations and personnel and is acquainted with the industry within which the Company operates.

In addition, regular Board meetings include updates from Company executives to ensure that all directors remain up to date in their knowledge of relevant industries and governance responsibilities. To assist directors to better understand the Company's international operations, Board members have visited various overseas investments of the Company.

The Company Secretary keeps the Board informed of updates to relevant regulations or requirements, such as continuous disclosure obligations, as they arise. In addition, the Board periodically considers whether there is a need for directors to undertake professional development to maintain the skills and knowledge needed to perform their roles effectively.

### **Appointment of Senior Executives**

On appointment, all Senior Executives of the Company sign formal employment contracts setting out the terms of their employment and notice period. A summary of the terms of employment for Senior Executives is included in the Remuneration Report in the 2020 Annual Report available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.



## Board and Executive Evaluation and Codes of Conduct

(Corporate Governance Principles and Recommendations 1.3, 1.6, 1.7, 3.2, 3.3, 3.4)

The Company has developed a process for evaluation of performance of the Board, Board committees, individual directors and Senior Executives. This process is documented and made publicly available in the Investor Centre of the Company website.

### Board performance assessment

The process for Board performance assessment involves an annual review of various aspects of the performance of the Board including the efficacy of meetings, quality of Board papers and reports, and performance of the Chair and the Board committees.

In relation to the performance of individual directors, regular dialogue and feedback takes place during the year between the Chair and directors.

An assessment of Board performance has been conducted during the year.

### Senior Executive performance reviews

The performance of the Managing Director and his direct reports are evaluated annually in accordance with the published process for evaluation of performance.

All direct reports of the Managing Director are evaluated by the Managing Director and the performance evaluation of the Managing Director is facilitated by the Chair, with ultimate oversight by the Board.

The evaluation of the Managing Director involves an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.

During the reporting period, a performance evaluation for Senior Executives (including the Managing Director) has taken place in accordance with this process.

### Global Code of Conduct

The Company, including its directors and Senior Executives, is committed to maintaining the highest standards of integrity and seeks to ensure all its activities are undertaken with efficiency, honesty and fairness.

The Company has developed a 'Global Code of Conduct' (**Code**) which has been fully endorsed by the Board and applies to all directors and employees. The Code is designed to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies. Within the Code, the Company expresses its zero-tolerance stance on bribery and corruption and its approach to the giving and acceptance of gifts.

The Risk Management Committee has a standing agenda item for any material breaches of the Code.

A copy of the Company's 'Code of Conduct' is made publicly available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.

The Company maintains a high level of transparency regarding its actions consistent with the need to maintain the confidentiality of commercial-in-confidence material and, where appropriate, to protect shareholders' interests.

## **Ethics Policy**

The Company's Ethics Policy expressly requires that all Company personnel act in accordance with the highest ethical standards and conduct business in a way that is compliant with anti-bribery and anti-corruption laws.

## **Global Whistleblowing Policy**

The Company has rolled out a global whistleblowing policy, a copy of which is made publicly available in the Investor Centre of the Company Website at <http://shareholder.carsales.com.au/Investor-Centre>.

The policy applies to all Group employees, contractors and eligible whistleblowers and utilises an independent whistleblower service known as the whistleblower hotline @carsales supported by Deloitte to maintain the highest levels of confidentiality and protection of whistleblowers.

The Risk Management Committee has a standing agenda item which informs the Committee of use made of the whistleblowing policy as well as a report of any investigation that results from a disclosure. The identity of Whistleblowers or information which would lead to identification will not be disclosed without express permission. carsales is committed to protecting the anonymity of any Whistleblower and providing the protection prescribed under law.

## Company Culture, Values, Diversity and Inclusion

### (Corporate Governance Principles and Recommendations 1.5, 3.1)

The carsales culture is underpinned by its core values of enjoyment, respect, integrity, communication and honesty (known within the Company as EnRICH).

Each of these values has come to mean something specific within the Company's culture, and are very much a part of the day to day life at carsales, endorsed by the Board and reinforced by Senior Executives. As part of its annual awards presentation, the Company has a dedicated award to honour team members who embody these core values every day.

These values are coupled with consumer and customer-centric mindsets within the business to create the desired internal culture which delivers world-class solutions and products.

The Company is committed to creating a diverse and inclusive work environment, with particular focus on gender equality. This commitment is outlined in detail in the Company's 2020 Environmental, Social and Governance Report which is publicly available in the Investor Centre on the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.

A diverse and inclusive working environment provides a wide range of perspectives, innovation, engagement and improved operational performance. To achieve this environment, the Company promotes a workforce that embraces and respects diversity and inclusion through its Diversity Strategy.

The Company is proud to have been awarded the Workforce Gender Equality Agency (WGEA) Employer of Choice citation for five consecutive years (2016 - 2020) in recognition of its systematic and strategic approach to achieving a gender diverse workplace. The Company continues to strive to exceed the expectations of WGEA year on year.

On 29 July 2020, in accordance with the Workplace Gender Equality Act 2012, carsales submitted a report to WGEA. This report provides information on carsales' policies and gender diversity numbers across the business. This report is available in the Investor Centre on the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.

Also available in the Investor Centre on the Company website is the Company's Diversity Policy. This policy includes requirements for the Board to establish measurable objectives for achieving gender diversity and to assess both the objectives and the progress in achieving the objectives annually.

The objectives set by the Board, the initiatives implemented and progress towards achieving them are outlined below:

Objectives	Initiatives	Outcomes
Continue to grow the number of women in senior roles and professions where women are traditionally under represented.	<ul style="list-style-type: none"> <li>Reviewing all job advertisements to ensure gender neutral wording.</li> <li>Ensuring female representation in all interview panels.</li> <li>Ensuring that there is gender diversity in all succession planning reviews.</li> </ul>	<ul style="list-style-type: none"> <li>35% of all appointments in FY20 were female.</li> <li>36% of all managerial appointments in FY20 were female.</li> <li>Executive Leadership Team is comprised of 30% females.</li> </ul>
Continue to implement career development programs to prepare women within the business to take on more senior roles.	<ul style="list-style-type: none"> <li>Training and development programs that cover topics such as communication, presentation, management and influence skills training.</li> <li>Continued development of our Next Gear Graduate Program.</li> <li>carsales mentoring program which runs twice per year.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved a 50/50 gender split in 2020 and 2021 cohorts of graduates.</li> <li>36% of FY20 promotions went to female team members.</li> <li>37% female participation in the mentor program for FY20.</li> </ul>
Foster an inclusive culture and environment in which women network and mentor each other	<ul style="list-style-type: none"> <li>Support of internal networking opportunities such as Women In Tech (WIT).</li> </ul>	<ul style="list-style-type: none"> <li>Return sponsor for Go Girl, Go For IT 2020 (postponed to 2021) which is focused on encouraging females to</li> </ul>

<p>to progress their careers within carsales.</p>	<ul style="list-style-type: none"> <li>• Delivery of internal and external coding workshops by our people.</li> <li>• Support of STEM related initiatives including the Women in STEM Decade Plan, speaking on panel events relating to diversity and inclusion.</li> <li>• Celebration of International Women's Day.</li> </ul>	<p>pursue STEM careers, and are attended by our female tech team members.</p> <ul style="list-style-type: none"> <li>• Established a scholarship and paid internship for a female completing a Tech Bootcamp at Coder Academy.</li> <li>• Continued to build on our Women In Tech program - including opportunities for the team to learn from senior leaders as well as to build on their technical and soft skills.</li> <li>• Ran our third Kids Code Camp which was developed and facilitated by our team and was our largest to date – with more than 40 participants over 2 days.</li> </ul>
<p>Continue to enhance flexible workplace arrangements for both women and men. Enabling our people to manage work/life commitments and preferences.</p>	<ul style="list-style-type: none"> <li>• 16 weeks paid primary carer's leave (plus five additional days of paid leave during the first months returning to work to assist with the transition).</li> <li>• In addition to our two weeks paid leave for secondary caregivers, we have also provided access to an additional 10 days of sick / carer's leave.</li> <li>• Early access to long service leave after seven years of continuous service (usually 10 years depending on state legislation).</li> <li>• Access to sick/carer's leave to take up to two 'Refuel Days' per annum which can be used to do something such as take a day off to move house, celebrate a birthday or simply take a mental health break.</li> <li>• Opportunity to purchase up to two weeks of additional annual leave per year.</li> </ul>	<ul style="list-style-type: none"> <li>• In FY20, 17 female and 2 male employees took primary carer's leave, and 16 male employees took secondary carer's leave.</li> <li>• 84% return to work rate following parental leave in FY20.</li> <li>• 21 team members who are parents with caring responsibilities accessed formal flexible working arrangements.</li> </ul>

## Audit and Risk Management

**(Corporate Governance Principles and Recommendations 1.1, 4.1, 4.2, 4.3, 7.1, 7.2, 7.3, 7.4)**

### Audit and Risk Management Committees

The Board has established an Audit Committee and a Risk Management Committee.

The Audit Committee consists of the following non-executive directors, all of whom are independent:

- Mr David Wiadrowski – Chair
- Ms Kim Anderson
- Ms Edwina Gilbert

The Risk Management Committee consists of the following non-executive directors, all of whom are independent:

- Ms Edwina Gilbert – Chair
- Mr David Wiadrowski
- Mr Kee Wong

The Audit and Risk Management Committees operate in accordance with charters which are publicly available in the Investor Centre of the Company website.

Mr Wiadrowski holds a Bachelor of Commerce from the University of NSW, is a Graduate of the Australian Institute of Company Directors (GAICD) and has over 25 years' experience with PwC, including 5 years as the Chief Operating Officer of the PwC Australian Assurance practice and over 8 years as the leader of the firm's National industry practice for Technology, Infocoms, Communications, Entertainment and Media.

Ms Anderson holds a Bachelor of Arts from the University of Sydney and a Post Graduate Diploma in Library and Information Science (GDipLIS) from the University of Technology Sydney. Ms Anderson has over 25 years' experience in various advertising and media executive positions with companies such as Southern Star Entertainment, the Nine Network, PBL and Ninemsn.

Ms Gilbert holds a Bachelor of Laws and Bachelor of Arts from the University of Sydney. Ms Gilbert practiced commercial law before entering the automotive industry in which she has 17 years' experience, including as Director of two successful automotive dealerships at which she is responsible for setting the strategic direction of the business.

Mr Wong is an entrepreneur with a background and qualifications in engineering, information technology and business. Mr Wong was previously a senior executive at IBM and operates his own IT and management consulting firm with operations in Australia, Malaysia and Singapore.

Further details of the experience of each of the members of the committees is included in the Company's 2020 Annual Report, also available in the Investor Centre of the Company website.

The responsibilities of the committees include oversight and monitoring of:

- external reporting;
- external and internal audit;
- internal control and risk management; and
- related party transactions.

In fulfilling its responsibilities, the Audit Committee and Risk Management Committee:

- receive regular reports from management and the Company's external and internal auditors;
- review the processes that the Managing Director and Chief Financial Officer have in place to support their certifications to the Board;
- review any significant disagreements between the external auditors and management, irrespective of whether they have been resolved;

- meet separately with the external auditors as required throughout the year without the presence of management; and
- provide external and internal auditors with a clear line of direct communication at any time to either the Chair of the Audit Committee, Chair of the Risk Management Committee or the Chair of the Board.

The Audit Committee and Risk Management Committee each has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

During the course of FY20 there were 6 meetings of the Audit Committee.

Details of attendance of those meetings are:

Director name	Number of Audit Committee meetings during tenure	Number of Audit Committee meetings attended
<b>David Wiadrowski (Chair)</b>	6	6
<b>Kim Anderson</b>	6	6
<b>Edwina Gilbert</b>	6	6

During the course of FY20 there were 2 meeting of the Risk Management Committee, and a further 2 meetings attended by the Chair of the Committee with the Company's internal risk management committee comprised of management.

Details of attendance of the Risk Management Committee meetings are:

Director name	Number of Risk Management Committee meetings during tenure	Number of Risk Management Committee meetings attended
<b>Edwina Gilbert (Chair)</b>	2	2
<b>David Wiadrowski</b>	2	2
<b>Kee Wong</b>	2	2

## External Auditor

The Company appoints external auditors who clearly demonstrate quality and independence.

The Company has a process to ensure the independence and competence of the Company's external auditor including the Audit Committee reviewing any non-audit work to ensure that it does not conflict with audit independence.

Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners are detailed in the committee's charter referred to above. The performance of the external auditor is reviewed as required, taking into consideration assessment of performance, existing value and tender costs.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is disclosed in the 2020 Annual Report which is available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit Committee.

The Company's external auditor attends each Annual General Meeting where it is available to answer questions from shareholders relevant to the audit.

## Risk Management

The Company's Board charter provides that it is the responsibility of the Board to 'ensure that the significant risks facing the Company have been identified and that adequate control monitoring and reporting mechanisms are in place'.

The Company's Risk Management Charter also provides that the role of the Committee is to assist the Board in carrying out its risk management responsibilities.

The Company has developed a risk management policy which is publicly available in the Investor Centre of the Company website.

The Company seeks to take and manage risk in ways that will generate and protect shareholder value and recognises that the management of risk is a continual process and an integral part of the management and corporate governance of the business.

The Company acknowledges that its reputation is of great importance and it has an obligation to all stakeholders, including shareholders, customers, employees, contractors and the wider community and that the efficient and effective management of risk is critical to the Company meeting these obligations and achieving its strategic objectives.

The Risk Management Committee has completed an annual review of the risk management framework and is satisfied that given the size and complexity of the Company it continues to be sound.

The Company maintains a formal risk register which is at a minimum reviewed twice annually by Senior Executives and the Risk Management Committee.

### **Internal Audit**

The Company does not have a formal internal audit function within the Group.

The Audit and Risk Management Committees have primary responsibility for evaluating the effectiveness of risk management and control processes in the Company. Day to day responsibility for managing risk and implementing internal control lies with the Executive Leadership Team, which is comprised of the Managing Director and 9 other Senior Executives, including the Chief Financial Officer and the Company Secretary. Details of the roles and experience of the Executive Leadership Team are set out on the Management section of the Investor Centre of the company website at <http://shareholder.carsales.com.au/Investor-Centre/?page=Management>.

The Company's Executive Leadership Team meets at least 3 times each month and as part of its responsibility assesses and manages risk facing the business.

A professional services firm was appointed as an outsourced internal audit provider to undertake targeted internal audits over key risk areas for the Group and these were reported directly to the Audit and Risk Management Committees (as appropriate) as part of the internal audit plan for FY20 approved by those Committees.

The work of the outsourced internal audit provider is supplemented by independent work carried out by the Company's auditor PwC and other professional service providers on a targeted basis where risks are identified or additional assurance over the operation of controls is desirable.

Further review of risk management activities and internal control processes is carried out by group finance, headed by the Chief Financial Officer. Group finance performs limited work throughout the year around financial and legal compliance controls, as well as risk assessment activities at the Company's domestic and international investments.

Detailed information on the Company's risk identification and management is contained in the Company's 2020 Environmental, Social and Governance Report. The key economic risks that the Company faces are also set out in the Director's Report of the 2020 Annual Report. Both reports are publicly available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.

Given the nature of the Company's activities there is little likelihood of material exposure to environmental and social sustainability risks.

## **Written Affirmations**

Before approving financial statements for any financial period, the Board first receives from the Managing Director and the Chief Financial Officer written affirmations concerning the Company's financial statements.

The affirmations from the Managing Director and the Chief Financial Officer include that, to the best of their knowledge and belief, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects insofar as they relate to financial reporting risks.

Management has reported to the Board as to the effectiveness of the Company's management of its material business risks and the necessary written affirmations were received by the Board prior to the approval of the release of the 2020 Annual Report.



## Remuneration Policies and Practices

(Corporate Governance Principles and Recommendations 8.1, 8.2, 8.3)

### Remuneration and Nomination Committee

The Board's Remuneration and Nomination Committee consists of 3 independent directors, and is chaired by Ms Kim Anderson.

The Remuneration and Nomination Committee's purpose, duties, membership and structure are documented in the 'Remuneration and Nomination Charter' which is publicly available in the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>. The Company has also developed a 'Remuneration Policy' which details how the Company remunerates its non-executive directors and Senior Executives. This policy is also publicly available in the Investor Centre of the Company website.

During the course of FY20 there were 6 meetings of the Remuneration and Nomination Committee. Details of attendance of those meetings are set out on page 10 of this Corporate Governance Statement.

The Remuneration and Nomination Committee reviews and makes recommendations to the Board on remuneration, recruitment, retention and termination policies and procedures applicable to Senior Executives and directors.

The responsibilities the committee may undertake in its remuneration function include:

- reviewing Senior Executives and directors' remuneration and incentives, including the link between Company and individual performance;
- reviewing current industry best practice;
- considering different methods for remunerating Senior Executives and directors;
- reviewing existing or proposed share option schemes or other incentive schemes;
- considering superannuation arrangements;
- recommending retirement, termination benefits and payments for Senior Executives; and
- considering professional indemnity and liability insurance policies.

### Remuneration policies

The remuneration policy for the Board, the remuneration of each director and the performance evaluation and structure of remuneration for the Company's key management personnel are set out in the Remuneration Report which forms part of the Directors' Report of the 2020 Annual Report and is available from the Investor Centre of the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.

### Restrictions on dealing in securities

The Company has a 'Securities Trading Policy' relating to trading in the Company's securities by directors, officers and other employees of the Group. This policy is documented and made publicly available in the Investor Centre of the Company website. The Company's remuneration policy prohibits participants in the Employee Share Option plan from entering into transactions or arrangements which limit the economic risk of participating in the plan.

## Communication with Shareholders and the Market

**(Corporate Governance Principles and Recommendations 1.1, 5.1, 5.2, 5.3, 6.1, 6.2, 6.3, 6.4, 6.5)**

The Company has a dedicated section of its website designed to provide investors with relevant information on the Company's governance, this is located at <http://shareholder.carsales.com.au/Investor-Centre/>. This website includes for the benefit of investors:

- market announcements and related information, posted immediately after release to the ASX;
- news releases and financial presentations;
- share price history, and historic financial reports;
- calendar of upcoming carsales events and announcements;
- details relating to the Company's directors and Senior Executives;
- Board and Board committee charters and other corporate governance documents; and
- other services for investors, such as access to share registry information.

The website also contains the Company's 'Shareholder Communication Policy'.

### Continuous Disclosure

As an ASX listed entity, the Company has an obligation under the ASX Listing Rules to maintain an informed market in its securities. The Company has a 'Continuous Disclosure Policy', available in the Investor Centre of its Company website.

This policy sets out the key obligations of directors and employees of the Company to ensure compliance with its ASX Listing Rule and Corporations Act continuous disclosure obligations, and places accountability for such compliance on directors, executive officers and employees. The Company takes all reasonable steps to ensure that the market is advised of all information required to be disclosed under the ASX Listing Rules and Corporations Act which the Company believes would or may have a material effect on the price or value of the Company's securities.

The Board is actively involved in reviewing proposed market announcements drafted by the Company and pursuant to the Continuous Disclosure Policy, the Company Secretary sends a copy of all material market announcements to Directors promptly after they have been made to the market.

### Investor Relations Program

The Company is committed to ensuring that shareholders, regulators and the wider investment community are informed of all major developments affecting the Company in a timely and effective manner.

Information is communicated with investors in a number of ways including:

- annual and half-yearly reports;
- market disclosures in accordance with the continuous disclosure policy;
- updates on operations and developments;
- announcements on the Company's website;
- annual Environmental, Social and Governance report;
- market briefings, including roadshows in Australia and overseas; and
- presentations at annual general meetings.

Additionally, the Company makes Senior Executives available to provide briefings to investors throughout the year.

While the majority of the Company's investor relations involves engagements with institutional investors, the Company also makes efforts to understand the views and interests of retail investors. One way it goes about this is by meeting with representatives of the Australian Shareholder Association.

Any substantive investor or analyst presentation, such as that accompanying half year or full year

results, or the Company's Annual General Meeting is released to the ASX through the ASX Market Announcements Platform prior to the commencement of any presentation meeting.

### **Annual General Meeting**

Shareholders are encouraged to attend and participate in the Annual General Meeting. The meeting is held in a central location with easy access by public transport to make it easy for those shareholders who wish to attend. The full text of notices and accompanying materials are included on the Investor Centre of the Company's website and released to the ASX.

At the Annual General Meeting, shareholders elect the directors and have the opportunity to express their views, ask questions about Company business and vote on items of business for resolution by shareholders. Shareholders also receive an update from the Managing Director and have the opportunity to ask questions of the Board and the Company's external auditor.

All substantive resolutions at the Annual General Meeting are decided by poll where each of the Company's securities is given the weight of one vote.

Shareholders who cannot attend the meeting are able to submit voting instructions and questions to the Board ahead of the meeting to be answered at the Annual General Meeting and may review the presentation as it is published on the ASX prior to the commencement of the meeting.

Following the Annual General Meeting the Directors and Company Secretary are available to speak with and hear additional feedback from shareholders. This tends to be a prime opportunity to hear from retail investors for the Company.

Given the evolving COVID-19 pandemic, it is expected that the 2020 Annual General Meeting will be conducted virtually. The Company is taking steps to replicate as closely as possible the experience of shareholders attending the meeting in person.

### **Electronic Communications**

Shareholders may send and receive communications to and from the Company electronically by enrolling via the Investor Centre on the Company website at <http://shareholder.carsales.com.au/Investor-Centre>.

Investors can also elect to receive security information (including the Half-Year and Annual Report) electronically or in print by contacting the Company's share registry, Computershare, by e-mail at [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au) (further contact details are available in the Investor Centre).

## Appendix 1: Attendance at Board Meetings

The numbers of meetings of the Company's Board of directors held during the year ended 30 June 2020 and the numbers of meetings attended by each director is set out below. The meetings are split in the table below between those that are formally scheduled by the Company Secretary according to the annual Board meeting timetable, those that are short teleconferences where only a quorum of Board members are required and those ad hoc meetings called at shorter notice to address specific matters that arise from time to time:

	Full scheduled meetings of directors		Short teleconference meetings of directors		Ad hoc meetings of directors	
	A	B	A	B	A	B
Pat O'Sullivan	12	12	2	2	6	6
Cameron McIntyre	12	12	2	2	6	6
Wal Pisciotta	12	11	2	1	6	5
Kim Anderson	12	12	2	2	6	6
Edwina Gilbert	12	12	2	2	6	6
Kee Wong	12	10	2	1	6	6
David Wiadrowski	12	12	2	2	6	6
Steve Kloss (alternate director)	12	11	2	2	6	5

A = Number of meetings held during the time the director held office during the year

B = Number of meetings attended

## Appendix 2: Cross-reference of Corporate Governance Recommendations (Fourth edition) to sections of this report

Principle	Recommendation	Report Section						
		The Board of Directors	Board Skills and Appointments	Board and Executive Evaluation and Codes of Conduct	Company Culture, Value, Diversity and	Audit and Risk Management	Remuneration Policies and Practices	Communication with Shareholders and the Market
Lay solid foundations for management and oversight	1.1	✓				✓	✓	
	1.2		✓					
	1.3	✓	✓	✓				
	1.4	✓						
	1.5				✓			
	1.6			✓				
	1.7			✓				
Structure the Board to be effective and add value	2.1		✓					
	2.2		✓					
	2.3	✓						
	2.4	✓						
	2.5	✓						
	2.6		✓					
Instill a culture of acting lawfully, ethically and responsibly	3.1				✓			
	3.2			✓				
	3.3			✓				
	3.4			✓				
Safeguard the integrity of corporate reports	4.1					✓		
	4.2					✓		
	4.3					✓		
Make timely and balanced disclosure	5.1						✓	
	5.2						✓	
	5.3						✓	
Respect the rights of security holders	6.1						✓	
	6.2						✓	
	6.3						✓	
	6.4						✓	
	6.5							
Recognise and manage risk	7.1					✓		
	7.2					✓		
	7.3					✓		
	7.4					✓		
Remunerate fairly and responsibly	8.1						✓	
	8.2						✓	
	8.3						✓	