

## Appendix 4G

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

Name of entity:

Ardent Leisure Group (ASX: AAD)

ABN / ARBN:

Ardent Leisure Trust (ARSN 093 193 438)

Ardent Leisure Limited (ABN 22 104 529 106)

Financial year ended:

30 June 2017

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

- These pages of our annual report:
- This URL on our website: <https://www.ardentleisure.com/about-us/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 30 June 2017 and has been approved by the board.

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

Date: 29 September 2017

Name of Director or Secretary authorising lodgement:



Bronwyn Weir  
Company Secretary

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at <a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/...</a> and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p><a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/...</a> and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Refer to Directors' Report contained in the Annual Financial Report for the year ended 30 June 2017</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> Refer to the Directors' Report contained in the Annual Financial Report for the year ended 30 June 2017	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so 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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so 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 provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so 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 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
<p>4.1</p>	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p><a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/...</a> and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Refer to Directors' Report contained in the Annual Financial Report for the year ended 30 June 2017</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>4.2</p>	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
<p>7.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p><a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/...</a> and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Refer to Directors' Report in the Annual Financial Report for the year ended 30 June 2017</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.2</p>	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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 risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p><a href="https://www.ardentleisure.com/about-us/corporate-governance/">https://www.ardentleisure.com/about-us/corporate-governance/...</a> and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Refer to the Directors' Report contained in the Annual Financial Report for the year ended 30 June 2017</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> Refer to the Directors' Report contained in the Annual Financial Report for the year ended 30 June 2017</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we 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>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



## Corporate Governance Statement

This statement has been approved by the Boards of Directors of Ardent Leisure Management Limited and Ardent Leisure Limited and prepared as at 30 June 2017.

In summary, compliance with the ASX Guidelines has been achieved as follows:

	ASX Principle	Compliance	Reference
1	Lay solid foundations for management and oversight	In part	Refer Page 4 Explanation provided in relation to diversity objectives and board/director evaluation
2	Structure the board to add value	In part	Refer Page 6 Explanation provided in relation to board skills matrix
3	Act ethically and responsibly	Comply	Refer Page 7
4	Safeguard integrity in corporate reporting	Comply	Refer Page 12
5	Make timely and balanced disclosure	Comply	Refer Page 14
6	Respect the rights of shareholders	Comply	Refer Page 16
7	Recognise and manage risk	Comply	Refer Page 17
8	Remunerate fairly and responsibly	Comply	Refer Page 19

### Principle 1 – Lay solid foundations for management and oversight

#### Board Charter

The Directors of the Group have adopted a Board Charter that sets out the respective roles and responsibilities of the Board and senior management. The primary role of the Board is to promote the long term health and prosperity of the Group and to build sustainable value for investors.

Specifically, the Board is responsible for:

- Setting objectives, goals and strategic direction;
- Approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments;
- Monitoring financial performance and reporting;
- Oversight and approval of accounting, risk management and compliance control systems;
- Monitoring the performance of management;
- Appointing and removing the Chief Executive Officer (and other Key Management Personnel as decided from time to time);
- Approving the remuneration framework for Directors and the Group's Key Management Personnel;
- Monitoring compliance with legal obligations and ethical and responsible behaviour; and
- Ensuring effective communications with investors and other stakeholders.

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The Board Charter also sets out the responsibilities of the Chair and a comprehensive list of matters that are reserved for the Board of Directors of both the Company and the Manager. In accordance with the list of matters reserved for the Board, the Board is responsible for:

- The strategic plan and annual operating and capital expenditure budgets;
- Treasury policies and risk management strategy;
- Establishment, acquisition, cessation or disposal of any division or business unit;
- Approval of financial statements and any significant changes to accounting policies;
- Approval of dividend/distributions payments;
- Appointment and removal of auditors;
- Appointment and removal of any of the Chief Executive Officer, the Key Management Personnel or the Company Secretary;
- Committee charters and composition;
- Amendments to discretions delegated by the Board;
- Key policies including Workplace Health and Safety, Environmental and Sustainability policies;
- Changes to the Group's capital structure including the issue of shares, options, equity instruments or other securities;
- Key public statements which relate to significant issues concerning changes to key strategy or Group policy; and
- Terms and conditions of the appointment of Directors and the Chief Executive Officer, and employee equity plans and their allocation.

The Board Charter also sets out key delegations of authority in relation to equity investments, assets acquisition and disposal, external credit limits, bonds, guarantees and other contingent liabilities.

#### **Directors' Information**

Investors are provided with all material information which the Company has about the Director, in an explanatory memorandum to the Notice of Meeting, at which the Director will stand for election or re-election, to enable them to make an informed decision on whether or not to elect or re-elect the candidate. Such information includes their relevant qualifications and experience, details of any offices they currently hold and any other material former directorships they held, when the Director was first appointed and, if any, details of the roles they hold in any of the Board's standing committees.

#### **Agreements with Directors and Key Management Personnel**

Each Director enters into a number of agreements with the Company to provide them with a clear understanding of their roles and responsibilities and of the entity's expectations of them. These comprise:

- the Terms and Conditions of their appointment, the time commitment and any involvement with committee work and any other special duties expected of their position, their remuneration entitlements, the various corporate policies with which they are expected to comply, and the conditions of termination;
- a disclosure agreement which obligates them to disclose any relevant and material interests and any matters which may affect their independence; and
- a Deed of Access and Indemnity which sets out the indemnity and insurance arrangements, and ongoing rights of access to corporate information.

Each of the Key Management Personnel enters into a Service Agreement which sets out their position description, duties and responsibilities, reporting lines, remuneration entitlements, ongoing confidentiality, obligation to comply with all corporate policies, the circumstances in which their service may be terminated (with or without notice) and any entitlements on termination.

Details on the remuneration of Directors and Key Management Personnel are set out in the Directors' Report contained within the Annual Financial Report for the year ended 30 June 2017.

### Company Secretary

In accordance with the Board Charter, the Company Secretary is appointed and if necessary removed by the Board and is therefore accountable directly to the Board on all matters to do with the proper functioning of the Board. Each Director also has direct access to the Company Secretary.

The Company Secretary's role includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

### Diversity Policy

The Company values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity. The Board has adopted a Diversity Policy that aims to promote diversity across the Group through a number of initiatives. The Diversity Policy is reviewed from time to time and amended as appropriate.

The Group has adopted a long term approach that focuses on increasing diversity at junior levels and addressing the various reasons that hinder female promotion and involvement at executive levels. The Group currently employs a number of female staff in senior roles including the CEO of Bowling & Entertainment Division; the General Manager - People & Culture; and the Company Secretary.

Following the release of new reporting guidelines under the Workplace Gender Equity Act 2012, the Group adopted revised analytics and has segmented its leadership diversity reporting in line with reporting standards and industry best practice. Gender participation rates across the Group for the past two years are set out below.

	2016 <sup>2</sup>		2017 <sup>2</sup>	
	Female	Male	Female	Male
Board of Directors	28%	72%	34%	66%
All Managers <sup>1</sup>	36%	64%	32%	68%
All Employees	67%	33%	59%	41%

<sup>1</sup> Managers includes Senior Executives, Senior Managers and Managers as recommended under the reporting guidelines.

<sup>2</sup> As at 30 June.

The Group is committed to hiring and promoting female talent across all divisions and continues to look at ways to improve processes to better achieve this outcome. In addition, the Group supports a number of initiatives aimed at increasing female participation and has adopted policies on flexible working arrangements and paid maternity leave.

In respect of FY17, in light of the planned divestments of the Health Clubs and Marinas businesses, the Group did not establish any measurable objectives in relation to gender diversity. It is the Board's current intention that the Board will consider and set of appropriate measurable objectives to reflect the transformed business and the Group's overall platform for the future, taking into account its strategic direction.

## Director, Board and Committee Evaluation

The Board Charter requires that each Director participate in an annual performance evaluation which will be reviewed by the Chair. The process for conducting Board and Director evaluations is similar to that adopted for the review of the Chief Executive Officer and is conducted in a confidential manner by the Chair of the Board. The evaluations include areas such as role of the Board, composition, meeting conduct, behaviours and competencies, governance and risk, ethics and stakeholder relations.

From time to time in FY17, the Board has considered and reviewed the performance of the Board, its committees and individual Directors. However, during FY17, the Board did not conduct a formal performance evaluation due to the change of Chairman, changes to Board composition and changes to Management. It was the Board's view that a formal performance evaluation process at this stage would not be of significant value, given the changes within the Group and the priorities of the Board during FY17. The Board intends to conduct a more structured Board evaluation during FY18, following completion of the Board renewal process and management transition.

Each committee charter adopted by the Board includes a requirement for an annual self-assessment by the committee of its performance and charter. These evaluations are conducted against the existing charter and prevailing developments in the corporate governance arena.

## Key Management Personnel Performance Evaluation

In accordance with the Board Charter the Directors have undertaken to formally evaluate the performance of the Chief Executive Officer and other Key Management Personnel on an annual basis. The purpose of the evaluation of the Chief Executive Officer and other Key Management Personnel is to provide the following key benefits:

- Assist the Board in meeting its duty to stakeholders in effectively leading the Group;
- Ensure the continued development of the Chief Executive Officer and other Key Management Personnel to more effectively conduct their role;
- Ensures a formal and documented evaluation process; and
- Leaves a record of the Board's impression of the performance of the Chief Executive Officer and other Key Management Personnel.

The process adopted by the Board to assess the performance of the Chief Executive Officer and other Key Management Personnel is as follows:

- KPIs are agreed for the Chief Executive Officer and Key Management Personnel at the commencement of each financial year;
- At the end of each financial year, or otherwise as required, each Board member is requested to provide feedback to the Chair on the Chief Executive Officer's and other Key Management Personnel's performance against KPIs;
- The Chief Executive Officer provides feedback on other Key Management Personnel to the Remuneration & Nomination Committee;
- Following this feedback, recommendations to the Board are made by the Remuneration & Nomination Committee on the assessment of the performance of other Key Management Personnel and the Chief Executive Officer provides feedback and agrees any areas that need to be addressed with each individual;
- The Chair of the Board assesses the Chief Executive Officer's performance and agrees any areas that need to be addressed.

## Principle 2 – Structure the board to add value

### Nomination Committee

The Directors have established a combined Remuneration and Nomination Committee due to the relatively infrequent need to call upon the services of the previous Nomination Committee. The charter for the combined Remuneration & Nomination Committee remains broadly similar and includes the review process for the Board and its committees and also the time commitment for non-executive directors.

The combined Remuneration and Nomination Committee consists of a minimum of three members with the majority of members required to be independent directors. The Remuneration and Nomination Committee is specifically responsible for making recommendations to the Board in relation to the identification, assessment and enhancement of the competencies of Board members, Board and management succession plans including the appointment of suitably qualified candidates to the Board and the appointment of the Chief Executive Officer, the development of a process for the review of the performance of the Board, Board Committees and individual directors and the assessment of the time required to fulfil the obligations of a non-executive director and whether directors are able to meet these expectations.

#### *Selection Process*

In order to provide a formal and transparent procedure whereby new appointments to the Board are selected the Remuneration and Nomination Committee has adopted a director selection process to be used once the Board has decided to appoint or replace a Director.

#### *Process*

- Identify the vacant position.
- Identify the core competencies of the position.
- Identify a preferred candidate background (taking into account the diversity of the Board).
- Appoint a search firm if necessary to ensure an appropriate selection of candidates.
- If a search firm is appointed, draft and deliver a brief to the search firm explaining the following:
  - Vacant Position;
  - Competencies Required;
  - Preferred Background;
  - Essential Qualifications (if any); and
  - Countries in which to extend the search.
- Candidates are to be interviewed and a shortlist prepared.
- Select preferred candidates from the shortlist provided in consultation with executive management.
- Agree a preferred candidate for recommendation to the Board of Directors.

### Board Skills and Competencies

The Board reviews its core competencies that should be present across the Board of Directors. Board members should have a working knowledge of finance and accounting, corporate regulation and business strategic theory. The Board aims to gather a breadth of different experience on the Board.



The Directors believe that diversity is critical to the effective functioning of the Board. To this end the Board strives to ensure that Directors should not all be from one occupational group or even from the same industrial sector the Group operates in.

The Board has undertaken a review of the key skills and competencies of the Board to ensure appropriate oversight of the Group's current operations and strategy for future growth. Following the divestment of the Health Clubs and Marinas, and in recognition of the significant rebalance of earnings from the Main Event business, the Board has identified the need for greater geographic knowledge.

It is the intention of the current Board to ensure an appropriately balanced Board composition between US-based American Non-Executive Directors and Australian Non-Executive Directors. The Board will reassess the Board Skills Matrix following the Group's 2017 Annual General Meeting.

The Board comprises a broad and diverse range of skills and understanding gained by Directors from their decades of experience in the general commercial, leisure and entertainment sectors. This expertise is supported by appropriate accounting, banking & finance, property, advertising and marketing skills.

### **Director Independence**

The Board recognises that independent directors are important in assuring investors that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance.

A majority of the Board are independent Directors with the only executive Director currently appointed is the Chief Executive Officer. The independence of the Directors is assessed annually taking into account such matters as tenure, contractual interests, significant security holdings, relationships with key advisers, suppliers and customers and any prior executive employment within the Group.

The Board has assessed the independence of each Director and concluded that none of the Directors has any material interest in securities, contracts or has relevant relationships with material advisers or suppliers/customers. The Board acknowledges that materiality thresholds will differ for each Director and for the Group as a whole. Accordingly, for the purposes of the independence assessment the Board has adopted a materiality threshold of 1% of the Group's last reported net assets.

As at 30 June 2017, Directors deemed to be independent were: Roger Davis, David Haslingden, Don Morris AO, George Venardos, and Melanie Willis.

Details of the tenure, current position and previous offices held by each Director which are relevant to the assessment of their independence are disclosed in their respective profiles, along with their interests in securities, and set out in the Annual Financial Report for the year ended 30 June 2017.

### **Board Composition**

The Directors of the Group have set out in the Board Charter the required composition of the Board subject to any requirements under the constitutions of the Company and the Manager:

- Independent directors should comprise a majority of the Board;
- Directors appointed to the Board should provide an appropriate range of qualifications and expertise; and
- In the event that the Chair ceases to be deemed independent then a lead independent Director should be appointed by the Board.

To appropriately reflect the geographic presence and earnings of the Group, it is the intention of the Board to include Directors based in the United States.

The Chair of the Board is an independent director and does not occupy a joint position as Chief Executive Officer.

### **Induction**

Upon appointment each new Director participates in an induction programme. This includes presentations from senior management and site visits to gain an understanding of the Group's operations. In addition to annual asset tours undertaken by the Board site visits are also arranged on an ad-hoc basis and as part of the programme of committee meetings.

### **Training**

Directors are required to keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

In order to assist Directors, each Director may participate in internal training sessions and conferences organised from time to time in respect of relevant industry and regulatory issues and may attend asset tours that are arranged from time to time.

Additional training requirements may be arranged by the Company Secretary with the Chair's approval.

### **Principle 3 – Promote ethical and responsible decision-making**

#### *Ethical Conduct*

The Board has adopted a suite of policies designed to govern employee's behaviour whilst employed by the Group and ensure that ethical business practises are adopted in the procurement process. All employees are required to acknowledge that they understand and will comply with the Employee Ethical & Confidentiality Policy.

#### *Media Relations*

Employees are prohibited from communicating with or disclosing to any representative of the media any information of any nature whatsoever relating to the Group, its clients or customers. Only the Chair, Board of Directors, Chief Executive Officer and Chief Financial Officer are authorised to speak to the media on Group issues. Exceptions to this rule must have the prior approval of the Chief Executive Officer. Notwithstanding the general prohibition, the respective Chief Executives of each of the business divisions are authorised to speak to the media on issues specific to their area of business.

#### *Intellectual Property*

All intellectual property created during an employee's employment with the Group is and remains the property of the Group.

#### *Confidentiality*

All Group related information acquired by Directors during their appointment is confidential to the Group and should not be released, either during the term of the Directors' appointment or following their termination without prior approval of the Board.

Employees are required to keep secret during and after their employment all information obtained about the business and affairs of the Group, its clients or customers, except as required by law. All documents or written material provided to the employee or used in connection with the Group's business is the property

of the Group and must not be removed, passed on, copied or disclosed to third parties except with the Group's authority.

#### *Conflicts of Interest*

Directors should not have any business or other relationship that could materially influence or interfere with the exercise of their independent judgement apart from those declared to the Board under the Corporations Act 2001, ASX Listing Rules and other general law requirements.

Directors with a material personal interest in a matter must not be present at a Board meeting during the consideration of the matter and subsequent vote unless the Board (excluding the relevant Board member) resolves otherwise. Directors with a conflict not involving a material personal interest may be required to absent themselves from the relevant deliberations of the Board.

#### *Personal Gain*

Employees must not misuse their position with the Group or any information received in the course of their employment to produce a personal benefit for themselves, their family, friends or any other person, or to cause a detriment to the Group. In the event of any conflict of interest this must be disclosed to the Group.

Employees are prohibited from soliciting or accepting any gift or benefit which induces or influences the Group to enter a transaction, business opportunity or business dealing, or which might reasonably be perceived as such an inducement or influence.

#### *Ethical Business Practices*

All employees and Group suppliers must adopt the following standards:

- Suppliers should adhere to applicable laws and regulations that govern them.
- Employment should be freely chosen; there should be no forced, bonded or involuntary prison labour, employees should not be required to lodge 'deposits' or identity papers with their employer and should be free to leave their employer after reasonable notice.
- Employees should have freedom of association and the right to collective bargaining within the framework of applicable laws.
- Working conditions should be safe and healthy; applicable Occupational, Health & Safety laws & regulations must be complied with.
- Child labour should be eliminated and suppliers should conform to provisions of International Labour Organization Convention 138 and be consistent with United Nations Convention on Rights of the Child.
- Living wages should be paid and they must meet or exceed national standards. Wages must not be paid in kind and employees should be provided with written and understandable information about their employment conditions.
- Working hours should not be excessive and should comply with national laws and national benchmark industry standards.
- Discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation is prohibited.
- Regular employment should be provided and work performed must be on the basis of recognised employment relationship established through national law and practice.
- Harsh or inhumane treatment of employees is prohibited.

The Group seeks to collaborate with suppliers in pursuit of these standards and attempts to guide relationships by the principle of continuous improvement. Similar ethical trading standards will be

considered acceptable as a reasonable alternative where suppliers are already working towards this initiative.

The Group promotes a risk based approach to implement these standards by focusing attention on those parts of the supply chain where risk of not meeting these standards is highest. This is supported by the provision of appropriate training and guidelines to implement these standards. Suppliers are advised that implementation of these standards may be assessed by the Group or through independent verification.

Suppliers are required to use reasonable endeavours to provide workers covered by these standards with a confidential means to report to the suppliers' failure to observe these standards. It is expected that all suppliers will comply with the standards and the Group reserves the right not to do business with suppliers where it can be demonstrated that significant violations exists. In particular, the Group and/or its separate businesses will not bring suppliers onto its supplier list if there is evidence of under-age workers; forced, bonded or involuntary prison labour, or where the supplier's workers are found to be subjected to potential life threatening working conditions or harsh or inhumane treatment.

### ***Whistle-Blowing***

The purpose of the Whistle-Blowing Policy is to establish an internal reporting system for the reporting of disclosures of corrupt conduct, illegality or substantial waste of company assets by the Group or its employees.

#### *Protected Disclosures*

The Whistle-Blowing Policy clearly defines what disclosures are protected and these included such disclosures that are made in accordance with the process outlined in the policy, that identify or attempt to identify corrupt conduct, illegality, or serious and substantial waste of company assets by the Group or its employees and that are made voluntarily by an employee of the Group.

Frivolous disclosures or those made solely with the motive of avoiding dismissal or other disciplinary action are not covered by the Whistle-Blowing Policy. The making of a false or misleading statement when making a disclosure under the Whistle-Blowing Policy constitutes gross misconduct.

#### *Making a Disclosure*

Under the Whistle-Blowing Policy, disclosures are made to a nominated officer. This can be done in person, by email or via the Group's third party independent ethics hotline. Disclosures can be made either inside or outside normal working hours and locations.

Group employees are encouraged to report known or suspected incidences of corrupt conduct, illegality or substantial waste in accordance with the Whistle-Blowing Policy. All Group employees must abstain from any activity that is or could be perceived to be victimisation or harassment of persons who make disclosures. The confidentiality of persons they know or suspect to have made disclosures should be maintained.

The nominated officer is responsible for receiving, forwarding and acting upon disclosures and must take all necessary and reasonable steps to ensure that the identities of persons who make disclosures, and the subjects of disclosures, are kept confidential. The nominated officer is also responsible for supporting persons who make disclosures and protecting them from victimisation, harassment or any other form of reprisal.

#### *External Disclosures*

Disclosures to persons or bodies external to the Group will only be protected under the Whistle-Blowing Policy if the person making the external disclosure has already made the same disclosure through the internal reporting system, the employee has reasonable grounds for believing that the disclosure is substantially true, the disclosure itself must be substantially true and the nominated officer has decided not to investigate the matter, has not completed the investigation within six months of the original disclosure or has not recommended any action in respect of the matter.

#### *Liability on Disclosure*

The Whistle-Blowing Policy provides that a person is not subject to any liability for making a protected disclosure and no action, claim or demand may be taken or made of or against the person for making the disclosure. A person who has made a protected disclosure under the Whistle-Blowing Policy is taken not to have committed any offence against any legislation which imposes a duty to maintain confidentiality with respect to any information disclosed.

#### *Action Taken*

A person who makes a disclosure under the Whistle-Blowing Policy must be notified, within six months of the disclosure being made, of the action taken or proposed to be taken in respect of the disclosure.

#### **Fraud**

The Group operates a Fraud Policy designed to prevent, deter, detect and investigate all forms of fraud. For the purposes of the Fraud Policy, "fraud" is defined as the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.

The Group has adopted a "zero tolerance" towards fraud and requires that all reported incidents, including internal fraud, will be thoroughly investigated with utmost confidentiality. Necessary action will be taken against any individual or group who have committed fraud and may involve disciplinary action resulting in dismissal from employment, and civil and/or criminal legal proceedings. Critical business procedures and controls are directed to maintain an effective fraud control environment to assist in fraud prevention and detection.

Any employee who suspects a fraudulent activity must notify the business Chief Executive or alternatively email details to a private email address set up exclusively for this purpose.

#### **Securities Trading Policy**

The purpose of the Securities Trading Policy is to regulate trading by all Directors and employees of the Group in any securities issued or nominated by the Group. This also applies to financial products issued or created over such securities (including but not limited to warrants, options and derivatives), entering into financing arrangements over financial products including establishment of a margin loan over such securities.

This Securities Trading Policy also applies to trading by Directors' and employees':

- Spouses;
- Children under the age of 18 years;
- Dependent children living in the family home;
- Trusts under which they or a member of their family are a trustee or beneficiary; and
- Companies which they or their family control.

*General Prohibition (Insider Trading)*

At all times Directors and employees are prohibited from trading in securities while in possession of unpublished price sensitive information. Price sensitive information is information which is not generally available and which a reasonable person would expect that if the information were disclosed it would have a material effect on the price of Group securities and it would therefore influence investors in deciding whether or not to buy, hold or sell securities issued by the Group.

This prohibition applies even during periods when trading windows are permitted under this policy if a person is in possession of price sensitive information. In addition to not being able to deal, the person in possession of the price sensitive information has an obligation to keep that information confidential and must not communicate it to another person unless it is information, which is required to be brought to the attention of the Company Secretary.

*Specific Prohibition*

All Directors and Nominated Employees are bound as a condition of their employment to comply with and observe the Securities Trading Policy.

*Trading Windows*

Provided Directors and Nominated Employees are not in possession of unpublished price sensitive information and have received written consent from the Company Secretary, or in the case of Group Directors and the Group's Key Management Personnel, the Chair, are permitted to trade in securities in defined trading windows.

In order to ensure all Nominated Employees are aware of their obligations the Company Secretary issues an open reminder and a close reminder to all Nominated Employees. In addition, the Group publishes key reporting dates on the Group's website.

The Group may in its discretion vary trading windows by general announcement.

*Black Out Periods*

All periods outside of the trading windows are blackout periods in relation to security trading by Directors and Nominated Employees.

The Group may in its discretion nominate additional blackout periods by general announcement. These may be required where additional disclosure documents are released offering securities or as a result of certain disclosures being lodged with a stock exchange, e.g. the Australian Stock Exchange.

Discretion is vested in the Company Secretary to allow exemptions to trading during blackout periods in special circumstances only, where no price sensitive information is on hand and application of the Policy would cause undue financial hardship.

*No Short Term Trading*

The Board encourages employees to invest in the Group and discourages short term trading. Under the terms of the Securities Trading Policy Nominated Employees must not deal in securities for short term gain. Speculating in short term fluctuations in such securities does not promote investor and market confidence in the integrity of the Group. Accordingly, trading in securities issued by Group entities within 6 months of an acquisition is prohibited. The Group may in its discretion vary this rule in relation to a particular period by general announcement.

The Securities Trading Policy does not prevent Directors and employees from passive trading such as participating in a share plan or public offer made by the Group, provided that at the time the individual elects to participate, he or she is not in possession of any price sensitive information. Further, the individual may not subsequently vary that election until such time as they are again not in possession of such information.

The Securities Trading Policy also prohibits any hedging of unvested security based incentives by Directors and Nominated Employees.

Directors or Nominated Employees wishing to trade in securities must request prior approval to trade. Directors and the Group's Key Management Personnel must seek prior approval from the Chair while all other employees must contact the Company Secretary.

#### **Principle 4 – Safeguard integrity in financial reporting**

##### **Audit & Risk Committee**

The Board has established an Audit & Risk Committee (the "Committee") consisting of a minimum of three members with the majority of members required to be independent directors. All members must be able to read and understand financial statements, and at least one member must have financial expertise, that is the person must be either a qualified accountant or other financial professional with experience of financial accounting matters.

The Chief Executive Officer and the Chief Financial Officer are not members of the Audit and Risk Committee. They may be invited to attend meetings of the Audit and Risk Committee for reasons of efficiency but are not entitled to vote.

The Chair of the Committee will be a non-executive independent director appointed by the Board who is not the Chair of the Board.

Any Director may attend a meeting of the Committee at any time. The Committee will meet at least twice per annum and more often if deemed necessary. Meetings may be held by electronic means as allowed under the provisions of the Corporations Act 2001.

The Committee is established by the Board of Directors to review, evaluate and make recommendations to the Board in relation to:

##### *Risk and Internal Control Environment*

- Evaluating and monitoring the overall effectiveness of the Group's risk management, internal control and compliance systems;
- Evaluating the current "control culture" of the Company and the underlying consistency, direction and communication to employees of appropriate risk policies therein;
- Reviewing existing disaster recovery plans;
- Identifying key risks within the organisation and building appropriate risk management controls and policies to minimize the impact and likelihood of same; and
- Ensuring adequate resources are allocated to assist management and the Board in implementing an appropriate internal risk culture and discipline;
- Evaluating and monitoring the Group's fraud management policies and exposures; and
- Reviewing the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business.

##### *Financial Reporting*



- Approving and monitoring policies, procedures and content of the Group's statutory and management reporting;
- Considering the appropriateness of the Group's accounting policies and principles and how those principles are applied;
- Reviewing and assessing existing management processes so as to ensure compliance with applicable laws, regulations and accounting standards;
- Ensuring that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies are discussed in advance with the external auditor;
- Reviewing the underlying quality and accuracy of the financial reports from the internal and external auditors and making recommendation to the Board on their approval or amendment;
- Evaluating the adequacy and effectiveness of the Company's administrative, operating and accounting policies through communication with management, internal auditors and external auditors;
- Evaluating and monitoring the adequacy of the Group's management and operational reporting;
- Ensuring the effective facilitation of the audit process;
- Reviewing and evaluating appropriate disclosures from management, the internal auditors and external auditors on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Group's financial reporting process; and
- Serving as an independent and objective party to review the financial information presented by management to shareholders, analysts and the general public.

#### *Internal Audit*

- Making recommendations to the Board on the appointment, and where necessary the removal of the internal auditor;
- Reviewing the role, function and performance of the internal auditor, and management's response to the internal auditor's recommendations;
- Appraising the scope and quality of the audits conducted by the Group's internal auditor to ensure the widest coverage possible;
- Reviewing the findings of the internal audit program and management's response to the internal auditor's recommendations; and
- Reviewing the resources of the internal audit function and ensuring no unjustified restrictions or limitations are imposed.

#### *External Audit*

- Making recommendations to the Board on the appointment and where necessary the removal of the external auditor;
- Reviewing annually the external auditor's procedures for independence together with any relationships or services, which may impair the external auditor's independence, and the rotation of the audit partner;
- Reviewing the fees and terms of engagement of the external auditor, including the scope and adequacy of the proposed audit program;
- Appraising the scope and quality of the audits conducted by the external auditor to ensure the widest coverage possible;
- Ensuring there is appropriate communication and co-ordination between the internal and external auditors on risks, risks policies and audit results;
- Reviewing all financial reports and management representation letters and recommending them to the Board as complete and appropriate; and
- Reviewing annually the performance of the external auditor and based on the results of the annual assessment of the external audit services, determine whether the external audit services should be re-tendered.

#### *Compliance*



- Monitoring the Company's various disclosure obligations;
- Approving of the Group's compliance framework and assessing the effectiveness of the framework; and
- Based on the information provided by Management in relation to the Group's compliance framework, ensuring that a proper process is in place for continuous reporting to the ASX.

#### *Right to Obtain Information*

The Committee is entitled to consult with expert advisers and seek expert advice where it considers it necessary to carry out its duties at the expense of the Group.

The Committee will have a right of access to internal and external auditors and senior management. The Committee will also meet separately with the internal and external auditors at least annually or as otherwise required.

#### **Chief Executive Officer and Chief Financial Officer Declarations**

The Board has received confirmation from both the Chief Executive Officer and Chief Financial Officer that their declarations for both the interim and full year financial reporting periods made in accordance with section 295A of the Corporations Act 2001, were based upon sound system of risk management and internal control and further that the system is operating effectively in all material respects in relation to financial reporting risk.

#### **External Auditors**

The external auditor is requested by the Board to attend each AGM to answer questions about the conduct of the audit and the preparation and contents of the Auditors Report.

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

##### **Continuous Disclosure Policy**

In order to regulate the continuous disclosure regime across the Group in relation to any securities issued by the Group the Board has adopted a Continuous Disclosure Policy.

The Continuous Disclosure Policy aims to ensure that the Group complies with the continuous disclosure requirements contained in the Corporations Act 2001 (the Act) and the Australian Stock Exchange (ASX) Listing Rules (the Rules). The successful operation of the Group's continuous disclosure regime promotes investor confidence by providing full and timely information to the market about the activities of the Group and serves to educate all relevant Group personnel on what continuous disclosure is, and how they can ensure they meet their individual responsibilities.

##### *Commitment to Continuous Disclosure*

Subject to the exceptions contained in the Listing Rules, the Group will immediately notify the market of any information or matter related to the businesses or financial condition of the Group which a reasonable person would expect to have a material effect on the price or value of those securities. Such notifications will be made by way of an announcement to the ASX.

*Reporting of Disclosable Information*

Directors and employees must ensure that any information which may require disclosure is reported to the Company Secretary or his/her nominee as soon as it is known. The Company Secretary will then determine whether any item of information is to be disclosed to ASX. Where the Company Secretary decides that information reported does not warrant an ASX release and the Director or employee who reported the information disagrees with that decision, they may choose to refer the matter to the Chief Executive Officer.

*ASX Announcement Approval*

If the Company Secretary determines that an item of information is to be disclosed to the ASX then the draft of the ASX announcement must be approved either verbally or in writing, by the Chief Executive Officer prior to release. ASX announcements deemed to contain price sensitive information must be circulated to the Board of Directors for comment prior to release.

*Release of Information*

Price sensitive information must not be released externally until it has first been lodged with the ASX and the ASX has acknowledged that the information has been released to the market. That is, selective disclosure of such information cannot be made to brokers, analysts, the media, professional bodies or any other person until the information has been given to (and released by) the ASX. This includes information that is subject to embargo as the ASX does not accept embargoed information.

In the event that at an analyst or media briefing an inadvertent disclosure is made which is price sensitive then that information must be immediately made available to the market through the ASX.

*Analyst and Media Briefings*

All material to be presented at an analyst briefing must be referred through the Company Secretary prior to the briefing.

*Trading Halts*

The Company Secretary may, with the approval of the Chair and the Chief Executive Officer, or failing whom, the Chief Executive Officer and any other Non-Executive Director, or failing whom any two Non-Executive Directors, request the ASX to halt trading in the securities.

*Training and Development*

The Continuous Disclosure Policy requires that relevant employees undergo training with respect to disclosure requirements.

*Board Procedures*

The Board of Directors must consider and minute at each full Board meeting whether there are any matters requiring disclosure. If no matters require disclosure this must also be explicitly included in the minutes.

### *Media Releases*

Releases, interviews and other communications to the media may be undertaken so long as they do not contain or refer to price sensitive transactions and do not fall within the Group's materiality thresholds. Any discussions or presentation to third parties should only be undertaken post release to the ASX of the subject matter if they include material information.

### *Website*

All releases whether material or not are required to be posted to the Group website for access by investors and other interested parties.

## **Principle 6 – Respect the rights of shareholders**

### **Corporate Governance**

The Group's website at [www.ardentleisure.com](http://www.ardentleisure.com) has a corporate governance section on its website from where all relevant corporate governance information can be accessed, including the details on the Board of Directors, Management Team, the Company and Trust Constitutions, Board and Committee Charters and various corporate governance policies.

### **Investor Communications**

The Group has adopted a specific investor communications policy for investors and believes that a flexible approach to investor communications and early adoption of emerging technology is the most effective manner of increasing investor participation in the business of the Group.

Throughout the year, the Group follows a calendar of regular disclosures to the market on its financial and operational results. An indicative calendar of events is made available to investors on the Group's website.

In accordance with the Group's Continuous Disclosure Policy, the Group must ensure it does not communicate inside information to an external party except where that information has previously been disclosed to the market generally.

As soon as is practicable all Group announcements are posted to the Group's website. Other information of relevance to investors is also made available on our website, including, annual and half yearly financial reports, key dates, distribution history, cost base allocations, management fee breakdowns and the management investment trust notices.

The website also contains a link to the Group's security Registry and a live feed from the ASX for the Group's security price information.

### **Investors Reports**

The Group prepares annual reports for investors for each financial year ending 30 June and half year for the period ending 31 December. These reports are posted on the website on their day of release to the ASX. Investors may elect to receive a hard-copy of these reports or an email notification once they become available on the website. The default option for receiving the annual report is via the Group's website at [www.ardentleisure.com](http://www.ardentleisure.com).

## General Meetings

The Group holds an annual general meeting (AGM) in October or November each year. The date, time and venue of the AGM are notified to the ASX when the annual report is lodged with the ASX, generally in September each year. The Board of Directors aims to choose a date, venue and time considered convenient to the greatest number of our investors.

All notices of meetings will be accompanied by clear explanatory notes on the items of business. A copy of any such Notice of Meeting will be placed on the Group's website. Should an investor not be able to attend a general meeting they are able to vote on the resolutions by appointing a proxy. The proxy form included with the notice of meeting will clearly explain how the proxy form is to be completed and submitted.

As previously stated, the external auditor attends each AGM to answer questions about the conduct of the audit and the preparation and contents of the Auditors Report.

## Investor benefit program

Investors with 2,000 or more securities are entitled to participate in an Investor Benefits Program. The program aims to provide qualifying investors with an opportunity to experience some of the assets owned by the Group at discounted rates.

## Principle 7 – Recognise and manage risk

### Safety, Sustainability & Environment Committee

In addition to the Audit & Risk Committee detailed in Principle 4 the Board has established a Safety, Sustainability & Environment Committee (SSE Committee). The SSE Committee was established to monitor, review, evaluate and make recommendations to the Board in relation to occupational health & safety (OH&S), sustainability and the environment.

The Committee was established by the Board of directors to monitor, review, evaluate and make recommendations to the Board in relation to the following matters:

#### *Safety*

- The effectiveness of OH&S policies and the safety related aspects of the operational risk management framework necessary to maintain a safe environment for both guests and employees across the Group including drafting, implementing and recommending improvements;
- Setting appropriate goals to maintain the Group's lost time injury frequency rate (LTIFR) below industry benchmarks;
- The adequacy of existing OH&S resources as well as their ongoing training and supervision;
- The scope and results of periodic internal and external reviews of OH&S and operational risks including the process of identifying and assessing OH&S risks and the adequacy of existing OH&S risk management systems; and
- The compliance of the Company with regard to existing and possible future OH&S regulations and determining what changes, if any, need to be made to existing work practices in order to ensure compliance.

#### *Sustainability*

- Reviewing the Group's policies and procedures in relation to sustainability;
- Monitoring the adequacy of resources applied to sustainability as well as their ongoing training and supervision;
- Reviewing any report on sustainability, which is prepared pursuant to any Listing Rule or legislative

- requirement or which is proposed for inclusion in the annual report; and
- The compliance of the Company with regard to current laws and regulations and determining what changes, if any, need to be made to existing work practices in order to ensure compliance.

#### *Environment*

- Evaluating and monitoring the effectiveness of the Group's environmental policies and environmental management plans;
- Evaluating and monitoring the adequacy of environmental resources as well as their ongoing training and supervision;
- Reviewing the scope and results of periodic internal and external reviews of environmental risks including the process of identifying and assessing environmental risks and the adequacy of existing environmental risk management systems; and
- The compliance of the Company with regard to current environmental laws and regulations and determining what changes, if any, need to be made to existing work practices in order to ensure compliance.

The Committee will not address matters associated with financial or monetary risk associated with internal financial controls.

#### **Risk Management Framework**

The Risk Management framework for the Group requires a periodic review by management and the Board. These reviews ensure that the risk management framework continues to be a pro-active tool across the Group.

#### *Scope of Risks considered*

The risk management review covers five key business risks:

<b>Key Business Risk</b>	<b>Risk Categories</b>
Enterprise	Continuity, Control, Cost, Culture, Efficiency, Insurance, Knowledge, Legal & Regulatory, Performance, Privacy, Resourcing, Strategic Planning, Strategic Execution, Succession.
Fraud / Error	Cash, Brand/Trademark, Consumables & Trading Stock, Procurement, Defamatory, Financial Statements, Furniture & Fittings, Hardware, Information Systems, Information & Knowledge, Job, Management Reporting, Payroll, Personal Property, Software, Office Supplies, Company Income Tax, GST, FBT, PAYG, Payroll Tax, Web.
Business Management	Framework Awareness, Change, Confidentiality, Contract, Culture, Detection, Documentation, Escalation, Interpretation, Reporting, Resourcing, Responsibility.
Board Secretarial	Admission, Conflict, Documentation, Duties, Governance, Legal, Regulatory, Resolution.
Environmental & Safety Management	Contamination, Media/Publicity, Employee Safety, Guest & Contractor Safety.

#### *Risk Assessment Methodology*

The risk assessment methodology adopted for these reviews includes a three step process. Firstly, the inherent risk for each risk category is determined by evaluating likelihood & consequence of the risk based

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on the current and existing processes. Risks are evaluated and ultimately allocated to one of 4 distinct categories of Extreme, High, and Moderate and Low. Next the effectiveness of existing risk controls is reviewed and a ranking determined on a scale of Good, Fair or Poor. Finally, after the controls have been assessed the residual risk factors are derived into three categories of High, Medium and Low by merging the inherent risk rating and the effectiveness of the controls rating.

### Internal Audit

The Group has an Internal Audit function which is responsible for assisting with the accomplishment of the Group's objectives by bringing a systematic, disciplined approach to evaluating and continually improving the effectiveness of its risk management and internal control processes. The Group Chief Audit Officer has a direct reporting line to the board via the Audit and Risk Committee.

### Principle 8 – Remunerate fairly and responsibly

#### Remuneration & Nomination Committee

The Directors have established a combined Remuneration and Nomination Committee due to the relatively infrequent need to call upon the services of the previous Nomination Committee. The combined Remuneration and Nomination Committee consists of a minimum of three members with the majority of members required to be independent directors.

The Remuneration and Nomination Committee is specifically responsible for making recommendations to the Board in relation to setting policies for remuneration programs appropriate to the Group, remuneration and incentive schemes of senior management, reviewing the performance of the Chief Executive Officer on an annual basis, setting the Group's recruitment, retention and termination policies and procedures for senior management, superannuation, the remuneration framework for directors and the approval of any report on executive remuneration, which is required pursuant to any Listing Rule or legislative requirement or which is proposed for inclusion in the Annual Report.

Further details of the Group's remuneration policies are set out in the Directors' Report contained in the Annual Financial Report for the year ended 30 June 2017.

The Board has adopted a specific clawback clause to be included in grant letters for deferred equity whereby any unvested Performance Rights shall be subject to potential lapse, cancellation, rescission or other action in the event that the Group becomes aware of any misstatement in its financial statements for any of the immediately preceding 3 financial years due to:

- (a) a material non-compliance with any financial reporting requirement;
- (b) the misconduct of any Key Management Personnel; or
- (c) the misconduct of any of its other employees, contractors or advisers as a result of the direction (or lack of direction) by any member of the Key Management Personnel.

To the extent that the Performance Rights granted exceed the number, metrics or outcome that would have been applied had the misstatement not been made, then the Group may cause the deferred vesting or lapse of unvested Performance Rights representing all or part of the grant.