



AUTOMOTIVE HOLDINGS GROUP

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

INTRODUCTION AND THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

The corporate governance practices of Automotive Holdings Group Limited ABN 35 111 470 038 ("**AHG**" or the "**Company**") and its controlled entities (together, the "**Group**") are based on the belief that the creation of value is intrinsically linked with good governance. Strong corporate governance aids effective management and decision making. The Company is committed to sustaining and improving its corporate governance systems, and now reports in accordance with the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**ASX Recommendations**").

Except as disclosed below, the Company's corporate governance practices were consistent with the ASX Recommendations throughout the financial year ended 30 June 2018.

The Company maintains an investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance, which contains further information on the Company's corporate governance practices and policies. In particular, the website contains copies of each of the following Charters and Policies:

- Charter of the Board
- Charter of the Audit and Risk Management Committee
- Charter of the Remuneration and Nomination Committee
- Securities Trading - Directors
- Securities Trading - Executives
- Continuous Disclosure
- Code of Conduct for Directors and Key Officers
- Code of Conduct - Company's Obligations to Stakeholders
- External Auditors
- Risk Assessment and Management
- Effective Shareholder Communication
- Workplace Diversity Policy
- Energy Efficiency Policy

The Charters and Policies listed above, and the processes by which they are adopted in the operation of the board of directors of the Company (the "**Board**") and management, provide a comprehensive corporate governance framework ("**CGF**") and form the core of the Company's corporate governance system. We have not summarised all of the Charters and Policies in this report, but rather have commented on the relevance of each to the ASX Recommendations and the Company's corporate governance system. To view these documents please visit the "Corporate Governance" page of the Company's investor relations website, at www.ahgir.com.au/corporate-profile/corporate-governance.

This statement is current as at 27 September 2018 and has been approved by the Board.

THE BOARD AND SENIOR MANAGEMENT

Responsibilities of the Board and senior management

ASX Recommendations 1.1, 1.4

The relationship between the Board and senior management is critical to the Company's long term success. The Board is responsible for the performance of the Company in both the short and the longer term and seeks to balance competing objectives in the best interests of the Group as a whole. The Board's focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. To fulfil this role, the Board is structured according to the following mandate:

- the Chairman shall be a non-executive director;
- at least half of the directors shall be non-executive directors; and
- the Board shall comprise directors with a broad mix of business expertise and experience.

Board

Under the Company's Board Charter, the Board is responsible for all matters relating to the strategic direction, policies, practices, the establishment of goals for management and the operation of the Company. The Board's specific responsibilities include:

- approving the strategic objectives of the Group and establishing goals to promote their achievement and comparing actual results ensuring the planning process is efficient;
- establishing investment criteria for acquisitions and divestments, approving investments, and implementing ongoing evaluation of investments against such criteria;
- providing oversight of the Company, including its control and accountability systems;
- considering and approving the Group's annual budgets;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- appointing and removing the Managing Director, monitoring performance and approving the remuneration of the Managing Director, and the remuneration policy and succession plans for the Managing Director;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- ensuring that business risks facing the Group are, where possible, identified and that appropriate monitoring and reporting internal controls are in place to manage such risks;
- approving and monitoring financial and other reporting criteria;
- ensuring the Company complies with its responsibilities under the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules, the Company's Constitution and other relevant laws;
- adopting clearly defined delegations of authority from the Board to the Managing Director; and
- reviewing its own processes and effectiveness and the balance of competency of the Board.

Managing Director

The Managing Director, appointed by the Board, is formally delegated the responsibility for the day-to-day management of the Company, and may appoint the senior management team to assist with this purpose.

The Managing Director's responsibilities include:

- developing with the Board, a consensus for the Company's vision and direction;
- constructing, with the Company's management team, programs to implement this vision;
- negotiating the terms and conditions of appointment of senior executives for Board approval;
- appointing the senior management team;
- endorsing the terms and conditions of appointment of all other staff members;
- providing strong leadership to, and effective management of, the Company in order to:
 - encourage co-operation and teamwork;
 - build and maintain staff morale at a high level; and

- build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
- ensuring a safe workplace for all personnel;
- ensuring a culture of compliance generally, and specifically in relation to environmental matters;
- carrying out the day-to-day management of the Company;
- forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
- keeping the Board informed, at an appropriate level, of all the activities of the Company; and
- ensuring that all personnel act with the highest degree of ethics and probity.

Company Secretary

The Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper function of the Board. This is provided for in the Company Secretary's service contract.

The Company Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.

The responsibilities of the Board as a whole, the Chairman and individual directors, and the functions delegated to the senior executives are set out in more detail in the Company's Board Charter, which is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance. More specific details as to the roles and responsibilities of senior management (in relation to the day-to-day management of the Company) are also set out in their individual service contracts.

Board Structure

Current composition

ASX Recommendations 2.1, 2.3, 2.4 and 2.5

AHG considers a majority of the Board to be independent. In determining the criteria for the independence of directors, AHG follows the guidance set out in the ASX Recommendations and follows the criteria set out in the Company's Board Charter.

Broadly, in determining whether a Director is independent, the Board considers whether the director is free of interests that could (or could be perceived to) materially interfere with the independent exercise of the Director's judgement and the capacity to act in the best interests of the Company and its shareholders generally. The Board regularly assesses the independence of its Directors. The Board has assessed each non-executive Director as independent.

The Board currently comprises the following persons:

| Name | Position | Independent | Appointed |
|--------------------------|------------------------|--------------------|------------------|
| John McConnell | Managing Director | No | January 2017 |
| Howard Critchley | Non-executive director | Yes | April 2014 |
| Giovanni (John) Groppoli | Non-executive director | Yes | July 2006 |
| Gregory Duncan | Non-executive director | Yes | March 2015 |
| Andrea Hall | Non-executive director | Yes | May 2018 |
| Jane McKellar | Non-executive director | Yes | December 2015 |

At the time of preparing this statement the Company had no permanent Chairman due to the recent passing of the incumbent office holder. The Board had commenced the search for a replacement and nominated an acting chair for its meetings.

Further details of each director's skills, experience, expertise, qualifications, term of office, independence status and attendance at Board meetings, together with the members of each committee and their attendance at each committee meeting, are set out in the Directors' Report within the Company's Annual Report.

Procedures around nominating Board members, election and re-election

ASX Recommendation 1.2, 2.1

The Company's Remuneration and Nomination Committee is responsible for reviewing the Board's composition annually to seek to ensure it consists of members with appropriate qualifications and a broad range of experience that support the Company's wider objectives and strategies, and to ensure that there is a succession plan to maintain an appropriate balance of skills, diversity, experience and expertise in senior executives and the Board. Prior to appointing a person (or putting a person forward to shareholders for election) as director, AHG conducts appropriate due diligence checks, and where necessary, external consultants are engaged to assist with the selection process.

Subject to the ASX Listing Rules, Directors (other than the Managing Director) must retire at the third Annual General Meeting (**AGM**) following their election or most recent re-election. At least one non-executive Director must stand for election at each AGM. Any Director appointed by the Board to fill a casual vacancy since the date of the previous AGM must submit themselves to shareholders for election at the next AGM. Board support for the Director's re-election is not automatic and is subject to satisfactory Director performance.

AHG has measures in place to ensure that all material information in its possession that is relevant to a decision on whether or not to elect, or re-elect (as the case may be) that person as a director is provided to shareholders.

Induction, training and documenting arrangements with the Board and senior executives

ASX Recommendation 1.3

To ensure that non-executive directors clearly understand the corporate expectations of them, formal letters of appointment are signed with all non-executive directors (as provided for in clause 5.4 of the Charter of the Board). All directors are also provided with a directors' manual which contains relevant Company policies. To ensure that senior executives (including the executive directors) clearly understand the Company's expectations of them, service contracts (including formal job descriptions) are signed with all senior executives.

ASX Recommendation 2.6

An induction process and ongoing education exists to promote early, active and relevant involvement of new members of the Board. During the course of the year members of the Board receive accounting policy updates, especially around the time when the Board considers the Half Year and Full Year accounts. Further, the board papers provided to the Board throughout the year also regularly include material regarding legal, accounting, regulatory change, developments in communication including social media, and human resource management, particularly in relation to AHG's operations. Specialist advisors also provide presentations to the Board on relevant matters relating to accounting, finance and regulatory change from time to time.

Skills and experience

ASX Recommendation 2.2

A summary of the breadth and depth of the Board's experience and skills is set out below. Further details of each director's skills, experience, expertise, qualifications are set out in the Directors' Report within the Company's Annual Report.

| Skills and experience | Total out of 6 directors |
|--|--------------------------|
| Automotive retailing | 3 |
| Consumer/brand/marketing | 5 |
| Digital/e-commerce | 4 |
| Refrigerated and other logistics | 2 |
| Mergers and acquisitions / equity capital markets | 5 |
| International operations | 6 |
| Finance, accounting, audit and banking | 3 |
| Legal | 1 |
| Regulatory compliance | 4 |
| Business development | 6 |
| Human resources management | 5 |
| Occupational health and safety and risk management | 5 |
| Former director experience | 6 |
| Former executive management (e.g. CEO, CFO) experience | 5 |

Evaluating performance

ASX Recommendations 1.6, 1.7

Board Performance

The Board undertakes an annual self-assessment of its collective performance, the performance of the Chairman and the performance of its committees by way of a series of questionnaires. The results are collated and considered by the Board and any action plans are documented together with specific performance goals which are agreed for the coming year. Further, the Chairman undertakes an annual assessment of the performance of individual directors and meets privately with each director to discuss this assessment. During the financial year ended 30 June 2018, annual performance evaluation assessments were conducted in accordance with this process. Further details regarding the performance evaluation of the Board is set out in AHG's 2018 Remuneration Report.

Senior Executive Performance

Senior executives participate in an annual review process which assesses individual performance against predetermined objectives aligned with the Group's executive reward framework. Annual incentives awarded are based on the outcome of this review process, as conducted by the Remuneration and Nomination Committee ("REMC"), and approved by the Board. The annual performance reviews for the 2018 financial year have been undertaken in accordance with the process described above. Further details regarding the performance evaluation of senior executives is set out in AHG's 2018 Remuneration Report.

Independence

ASX Recommendations 2.3, 2.4

Independent Decision Making

As noted above, AHG considers a majority of the Board to be independent. In determining the criteria for the independence of directors, AHG follows the guidance set out in the ASX Recommendations and follows the criteria set out in the Company's Board Charter.

The non-executive directors meet, without management or the executive directors, to discuss various matters. These meetings of the independent directors are informal and ad hoc as required. To facilitate independent judgement in decision making, each director has the right to seek independent professional advice at the Company's expense (prior approval from the Chair is required, which may not be unreasonably withheld).

Conflicts of Interest

Where the Board considers appropriate, a director with a conflict of interest does not receive any papers relating to the Group pertaining to those dealings and that director excuses himself/herself from any discussion on those conflict matters.

Tenure

The Company does not set a limit on Director tenure. The date of appointment for each Director is set out above.

Mr Giovanni (John) Groppoli has been a Director of the Company for more than 12 years. The Board considers that his tenure has not impacted on his independence.

ACTING ETHICALLY AND RESPONSIBLY

ASX Recommendation 3.1

Code of Conduct

The Company has a Code of Conduct that promotes ethical and responsible practices and standards for directors, key officers and senior executives of the Company. This Code of Conduct reflects the directors' and key officers' intention to ensure that their duties and responsibilities to the Company are performed with the utmost integrity. A copy of this Code of Conduct is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance.

Employee Policies

The Company has various policies in place, including policies covering recruitment and selection, induction, relocation, conflicts of interest, harassment, discrimination and equal employment opportunities, performance management, grievance, fitness for work, leave, travel and training. These policies are subject to ongoing review and improvement.

Securities trading

The Company has adopted securities trading policies that restrict dealing in the Company's securities. There are separate policies that apply to Directors and executives of the Company, which are available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance.

Broadly, the securities trading policies are designed to:

- help prevent Directors and executives from contravening laws on insider trading by trading in the Company's securities; and
- establish a procedure for acceptable dealings in the Company's securities by Directors and executives.

Whistleblower Protection

The Company's Whistleblower Protection Policy seeks to protect individuals who, in good faith, report conduct which they reasonably believe to be improper. The policy applies to all employees. The purpose of this policy is to provide a framework for associates, officers, contractors and agents to independently bring to the attention of the Board and management conduct which may be corrupt, illegal or unethical. An independent external whistleblower service operates to facilitate such reporting by employees.

DIVERSITY

ASX Recommendation 1.5

The Company's Workplace Diversity Policy is published on its investor relations website at www.ahgir.com.au/corporate-profile/corporate-governance. This Workplace Diversity Policy provides for the Board to set measurable objectives for achieving gender diversity within the Group.

AHG is a significant employer of women with its April 2018 Workforce Gender Profile report to the Workplace Gender Equity Agency (WEGA) showing 1,647 female employees, representing approximately 21% of the Group's Australian workforce. AHG's Annual Report includes further detail about the breakdown between female and male employees in various positions and levels of seniority within AHG – refer to the "Diversity" sub-section of the Operating and Financial Review section of the Annual Report.

The Company believes that the current ratios are broadly commensurate with similar automotive retailing and logistics enterprises in Australia. AHG believes female representation at senior management levels will improve as existing female employees choose career pathways that include "promotion on merit" opportunities. More opportunities will become available as a consequence of the organisation's growth by acquisition strategy.

As a company that has been continuing to grow, it has not been viable for AHG to set organisation-wide defined measurable objectives as the acquired businesses have had established workforces. Accordingly, because of this period of rapid growth, AHG does not comply in full with Recommendation 1.5 of the ASX Recommendations. However, the Company is seeking to increase the number of women in middle management and senior management roles and to that end is actively seeking to recruit female employees at all levels and has specific programs in place to attract female apprentices and tradespeople. AHG expects that it will be in a better position to comply with ASX Recommendation 1.5 to a greater extent in the future.

SAFEGUARDING THE INTEGRITY OF CORPORATE FINANCIAL REPORTING AND RISK MANAGEMENT

ASX Recommendations 4.1 - 4.3, 7.1 - 7.4

Audit and Risk Management Committee

An Audit and Risk Management Committee ("**ARMC**") operates under the Charter of the Audit and Risk Management Committee. A copy of the charter is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au, and includes details of, amongst other things, the role and responsibilities, composition, structure and membership requirements of the ARMC.

The ARMC currently consists of the following members, as appointed by the Board:

| Name | Independent | Non-executive |
|-----------------------------|--------------------|----------------------|
| Greg Duncan (Interim Chair) | Yes | Yes |
| Andrea Hall | Yes | Yes |
| Jane McKellar | Yes | Yes |

Details regarding the members of the ARMC, their qualifications and attendance at ARMC meetings (as well as the number of ARMC meetings held during the financial year) are set out in the Directors' Report within the Company's Annual Report.

The ARMC is chaired by Mr Robert McEniry, an independent director, who is not the chair of the Board. Information on the Company's procedures for the selection and appointment of the external auditor and the rotation of external audit engagement partners is set out in the External Auditors Policy, which is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au. This External Auditors Policy also provides that an external auditor will attend AHG's annual general meetings, and be available to answer shareholder questions relevant to the conduct of the audit.

External auditor

The Company has appointed BDO Audit (WA) Pty Ltd (**BDO**) as its external auditor.

Among its key responsibilities, BDO reviews the financial reporting of ASX and provides an opinion on whether Company's financial report gives a true and fair view of the Group's financial position and financial performance and whether it complies with Australian Accounting Standards and the *Corporations Regulations*

2001 (Cth). BDO attends Audit and Risk Committee meetings and meets with the Committee without management present at least once annually.

BDO's opinion is included at the end of the Company's Annual Report. BDO has provided confirmation that there have been no contraventions of the auditor independence requirements of the Corporations Act and no contraventions of any applicable code of professional conduct in relation to its audit (refer to the declaration included in the Company's Annual Report, after the Directors' Report). The fees paid to BDO for non-audit services are disclosed in the Company's Annual Report (see the "Non-Audit Services" sub-section of the Directors' Report).

BDO's lead audit partner will attend the 2018 Annual General Meeting to answer questions relevant to the external audit.

Risk Assessment and Management

The ARMC is responsible for providing the Board with advice and recommendations regarding risk assessment and management. This includes ongoing development, and review, of risk oversight and management policies that set out the roles and respective accountabilities of the ARMC along with those of management and the internal audit function. A review of AHG's risk management framework occurs at least annually. Considerable importance is placed on maintaining a strong financial control environment. The Group has an organisational structure with clearly drawn lines of accountability and delegation of authority. The Company's practices are outlined in the Risk Assessment and Management Policy which is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance.

As mentioned, the ARMC is responsible for the establishment and oversight of the Company's internal audit function. The purpose of the internal audit function is to analyse the effectiveness and implementation of the Company's risk management and internal compliance and control systems. The internal audit function is independent of the external auditor. The responsibilities of the ARMC as regards the internal audit function are set out in the Charter of the Audit and Risk Management Committee.

Approving financial statements

Before adoption by the Board of the Company's financial statements for the year ended 30 June 2018, the Board received written declarations from the Managing Director and Chief Financial Officer that the financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act, and that the Company's financial statements and notes comply with the accounting standards and present a true and fair view of the consolidated entity's financial position and performance for the financial period. The Managing Director and the Chief Financial Officer have also stated in writing to the Board that the above declaration is founded on a sound system of risk management and internal controls, and that the system is operating effectively in all material respects in relation to financial reporting risks. In addition, the Managing Director and the Chief Financial Officer have reported to the Board in writing as to the effectiveness of the Company's management of its material business risks.

Sustainability risks

AHG identifies and manages material exposures to economic, environmental and social sustainability risks in a manner consistent with its Risk Assessment and Management Policy, a copy of which is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance.

AHG, as it continues to grow, is becoming a more complex business and accordingly, is exposed to a range of strategic, operational and sustainability related risks that are inherent in the motor vehicle retail, transport and logistics industries. Key sustainability risks which have the potential to materially impact the Group's ability to execute and achieve its business strategies, and the broad approach AHG takes to mitigate these risks, include the following:

| Risk | Description | Mitigation strategy |
|------------------------------------|---|--|
| Industry downturn or disruption | AHG's revenue and growth are susceptible to downturns in the domestic economy or any of the industries in which it operates, including those resulting from economic and regulatory changes. Automotive retailing is exposed to potential technology disruption to the model for selling and financing motor vehicles. | AHG is a diversified group – its automotive retail operations have multiple revenue streams, and are geographically diversified. While general economic and regulatory changes remain outside the control of AHG, its size, scale and diversified business offer opportunities to mitigate the potential impacts. |
| Delivering on growth opportunities | AHG has completed several acquisitions over the past three financial years. If some of these acquisitions fail to achieve targeted performance, or do so at a slower rate than anticipated due to factors beyond or within AHG's control, this may adversely affect performance. | AHG has acquisition and integration strategies to harmonise newly acquired businesses to the Group's policies, procedures and systems. These seek to maximise their opportunity to achieve targeted performance. |
| Key relationships | AHG's business involves key relationships with manufacturers, as well as other contracts with various counterparties. The financial performance of the Group is susceptible to adverse changes in any of these key relationships combined with the inability to secure appropriate replacement or alternative relationships. | AHG proactively engages in maximising its key relationships to mitigate such risks. Strong performance history (automotive retail) and superior service delivery quality (refrigerated logistics) have historically seen low levels of breakdowns in these key relationships. However, poor performance or changes in control could put such relationships at risk. |
| Reliance on key personnel | There is no assurance that AHG will be able to retain key personnel, and the departure of any such key personnel may adversely impact the Group's profitability until suitable replacements are employed. | AHG is committed to succession planning and remaining competitive in its remuneration and other incentive arrangements, its training programs to develop current and potential business leaders, and the alignment of the interests of key personnel with those of its shareholders. Such incentives are designed to also retain AHG's key personnel. |
| Health and safety | The Group has a potential risk arising from occupational health and safety incidents involving employees, contractors, customers or the community. | AHG has implemented systems and processes to act positively with due diligence in administering and monitoring the OHS management of the business. This includes the development and implementation of positive OHS metrics and an across-business reporting standard to provide reporting that is relevant, valid, comparable and reliable. |
| IT | AHG's various operations have a substantial reliance on extensive and complex IT systems, including those | AHG has a dedicated information services team who maintain high standards of IT operations, disaster |

| Risk | Description | Mitigation strategy |
|-------------------|--|---|
| | supporting customer accounts and financial reporting. Any loss of that capacity for a sustained length of time could adversely impact the Group's profitability. | recovery capability and information security. Major IT upgrades (hardware and software) are professionally project managed. AHG Information Services maintains high sensitivity to all aspects of cyber security, including technical and social engineering threats. Defensive measures are in place and updated at regular intervals including testing by external third party experts. |
| Regulatory change | <p>The Company recognises the potential for the impact of regulatory change and has experienced the effects of regulatory intervention in automotive finance and add-on insurance sales over the past two financial years.</p> <p>The intervention has impacted the earnings of all Australian automotive dealerships including those operated by AHG.</p> | <p>The Company believes its scale has offered it significant opportunity to mitigate the impact in automotive finance and add-on insurance sales.</p> <p>The Company also works with the industry's national body, the Australian Automotive Dealers Association, to maintain regular dialogue with relevant agencies and government departments.</p> |

More generally, AHG's risk management process assist in analysing and managing business risks, and identifying business process improvement opportunities. The risk assessment process focuses on two key metrics – estimation of the likelihood of risk occurrence and potential impact on the Company's financial results. Risk assessments are performed on a state-by-state basis within the automotive retail segment, and on a business-by-business basis within the logistics segment, from which a consolidated risk assessment is derived for AHG. These risk assessments are then presented to the ARMC.

REMUNERATING FAIRLY AND RESPONSIBLY – THE REMUNERATION AND NOMINATION COMMITTEE

ASX Recommendations 2.1, 8.1 - 8.3

The REMC has been established and operates under the Charter of the Remuneration and Nomination Committee. A copy of the charter is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance, and includes details of, amongst other things, the role and responsibilities, composition and structure of the REMC. The REMC currently consists of the following members, as appointed by the Board:

| Name | Independent |
|-------------------------------------|-------------|
| Giovanni (John) Groppoli (Chairman) | Yes |
| Greg Duncan | Yes |
| Jane McKellar | Yes |

Details regarding the members of the REMC, their qualifications and their attendance at REMC meetings are set out in the Directors' Report within the Company's Annual Report.

The REMC is chaired by Mr Giovanni (John) Groppoli, an independent director. Details of the Company's remuneration policies and procedures, the remuneration of the directors and executives, the components of the remuneration packages and share plan details are set out in the Remuneration Report which forms part of the Directors' Report within the Company's Annual Report.

No schemes for the provision of retirement benefits, other than the provision of superannuation, are provided by the Company for the benefit of non-executive Directors. [Further, as regards equity based remuneration schemes, AHG does not allow for participants to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in those schemes.

RIGHTS OF SHAREHOLDERS AND EFFECTIVE COMMUNICATION

ASX Recommendations 6.1 - 6.4

The Company places considerable importance on effective communication with shareholders.

AHG keeps investors informed of its corporate governance and financial performance through its investor relations website, www.ahgir.com.au. Investors may access copies of all announcements to the ASX, including notices of meetings, annual reports and financial statements and investor presentations under the "News & ASX Releases" and "Reports" tabs, and can access general information regarding the Company and the structure of its business under the "Corporate Profile" and "Dealerships & Businesses" tabs.

The Board has an established Code of Conduct in relation to its obligations to stakeholders to guide compliance with legal and other obligations to stakeholders, and a policy on Effective Shareholder Communication which are both available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance. The policy on Effective Shareholder Communication encourages full participation by shareholders at the Company's meetings, allowing for a high level of accountability and identification with the Company's strategy and goals. In addition to this, two-way communication is further facilitated by AHG on a number of fronts through its investor relations program, including the conduct of briefings and interim and full year results roadshows.

AHG encourages investors to receive communications from, and send communications to, the Company and the share registry electronically. Electronic communication allows the Company to communicate with shareholders quickly, and reduces The Company's paper usage. The Company emails shareholders when important information becomes available such as financial results, dividend statements, notices of meeting, voting forms and Annual Reports. Shareholders who receive information from us by post can log in at www.linkmarketservices.com.au to provide their email address and elect to receive electronic communications.

Details about the Company's 2018 Annual General Meeting (**AGM**), which will be held in November 2018, will be provided in due course. The AGM is an opportunity for shareholders and stakeholders to hear from and put questions to the Board, external auditor and executives. We encourage shareholders to attend and participate. To improve access and participation for those who cannot attend in person, ASX webcasts proceedings and allows shareholders to vote directly without having to appoint a proxy.

MAKING TIMELY DISCLOSURE

ASX Recommendation 5.1

The Company has a written policy on information disclosure that focuses on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities. A copy of the Continuous Disclosure Policy is available on the "Corporate Governance" page of the Company's investor relations website, www.ahgir.com.au/corporate-profile/corporate-governance.

.....

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Automotive Holdings Group Limited

ABN/ARBN

35 111 470 038

Financial year ended

30 June 2018

Our corporate governance statement² for the above period above can be found at:³

- these pages of our annual report: _____
- this URL on our website: <http://www.ahgir.com.au/corporate-profile/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 27 September 2018 and has been approved by the board.

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

Date here: 27 September 2018

Sign here:



Company secretary

Print name: David Rowland

¹ 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.

² "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.

³ 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.

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 ... | |
|---|--|---|---|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.2 | <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|--|---|---|
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | <p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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. | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 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</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 OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> <p>... 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 OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|--|---|
| <p>defined in and published under that Act.</p> | <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p>recommendation is therefore not applicable</p> |
| <p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, 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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement</p> <p>2018 Directors' Report (included in the 2018 Annual Report)</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|--|---|
| <p>1.7 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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement</p> <p>2018 Directors' Report (included in the 2018 Annual Report)</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | |
| <p>2.1 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</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 OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|--|--|
| responsibilities effectively. | <input checked="" type="checkbox"/> at this location: 2018 Corporate Governance Statement 2018 Directors' Report (included in the 2018 Annual Report) [If the entity complies with paragraph (b):] ... 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: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i> | |
| 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | ... our board skills matrix: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|---|---|
| <p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, 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</p> <p>(c) the length of service of each director.</p> | <p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Directors' Report (included in the 2018 Annual Report)</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| <p>2.4 A majority of the board of a listed entity should be independent directors.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|---|---|---|
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | <p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | <p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those | <p>[If the entity complies with paragraph (a):] ... 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 OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|--|---|
| <p>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>(5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Directors' Report (included in the 2018 Annual Report)</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 OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | |
| <p>4.2 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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---|--|---|--|
| 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> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p> |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | <p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 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> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 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> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|---|---|--|
| 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> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><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</p> |
| 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> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... | |
|---|---|--|--|
| | <input checked="" type="checkbox"/> at this location: 2018 Corporate Governance Statement 2018 Directors' Report (included in the 2018 Annual Report) [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i> | | |
| 7.2 | The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: _____ <i>Insert location here</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | [If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: 2018 Corporate Governance Statement http://www.ahgir.com.au/corporate-profile/corporate-governance [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: | <input type="checkbox"/> 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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|--|--|
| | <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> | |
| 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | <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> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | |
| 8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. | <p>[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>... and a copy of the charter of the committee:</p> <input checked="" type="checkbox"/> at this location: http://www.ahgir.com.au/corporate-profile/corporate-governance ... and the information referred to in paragraphs (4) and (5): <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: 2018 Corporate Governance Statement 2018 Directors' Report (included in the 2018 | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|--|--|--|
| | <p>Annual Report)</p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | |
| <p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Directors' Report (included in the 2018 Annual Report)</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter 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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2018 Corporate Governance Statement 2018 Directors' Report (included in the 2018 Annual Report)</p> <p>http://www.ahgir.com.au/corporate-profile/corporate-governance</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... | |
|--|--|---|---|
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <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 OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</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 OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |