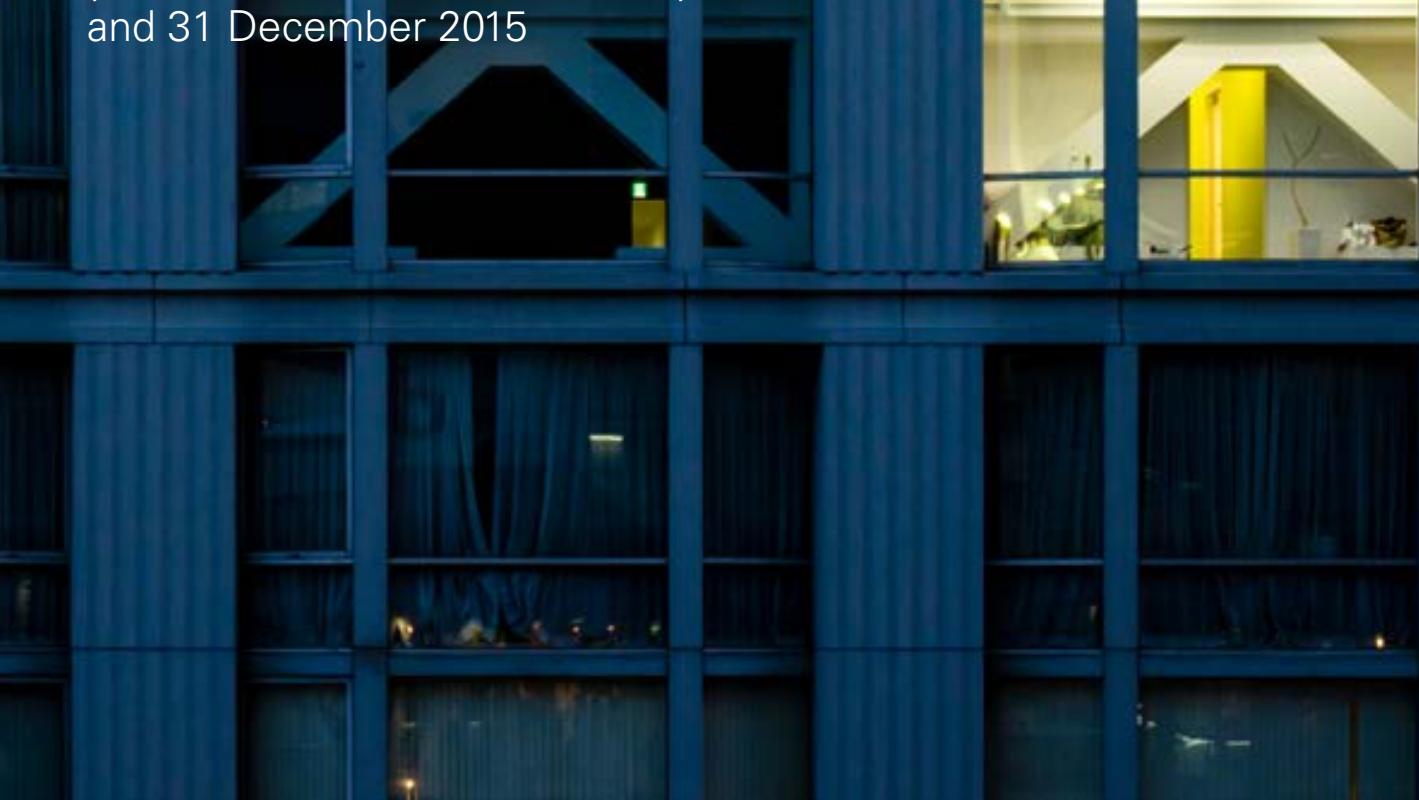




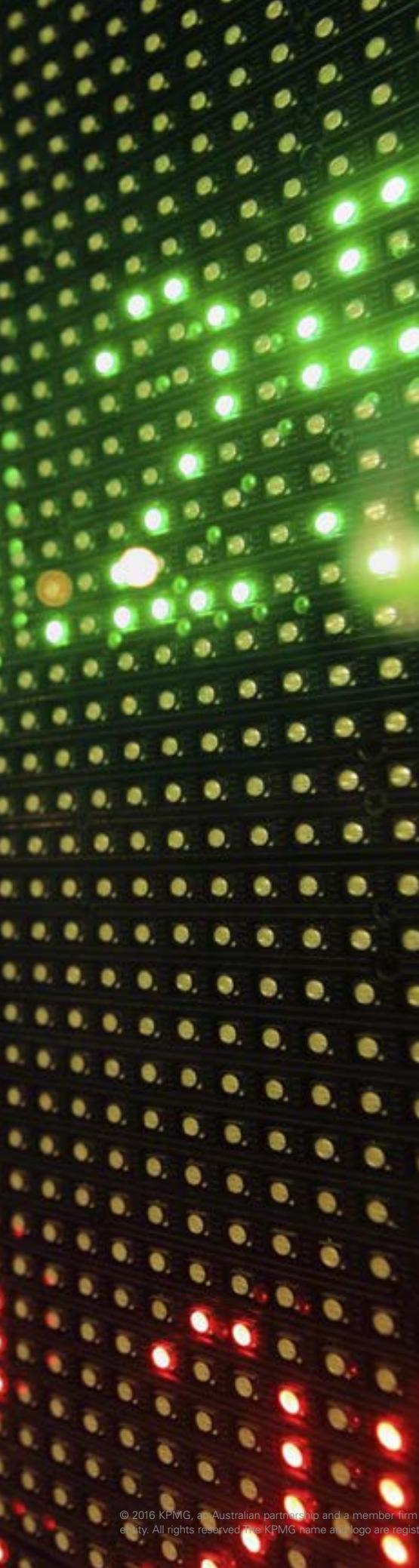
# ASX Corporate Governance Council

## **Adoption of Third Edition Corporate Governance Principles and Recommendations**

Analysis of disclosures for financial years ended between 1 January 2015 and 31 December 2015







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## 1

# Key findings

## Overview

- Our research confirmed a high level of adoption and acceptance of the new Recommendations by ASX listed entities.
- More effective disclosure is apparent in the entities that clearly addressed the Recommendations, including the relevant sub sections, in detail in their Corporate Governance Statement (CGS). Such entities outlined if a recommendation

was adopted and, if the recommendation was not followed, why they had not done so ('if not, why not').

- There was significant variation in entities' approach to disclosure. This was most evident with Recommendation 2.2 (board skills matrix) and Recommendation 7.4 (sustainability risks).

## Board skills

### Recommendation 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.

### Recommendation 2.6

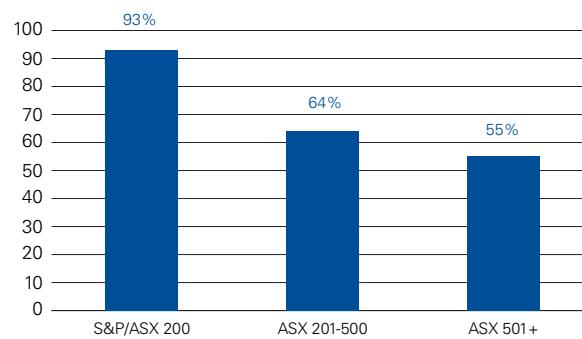
A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

## KPMG findings

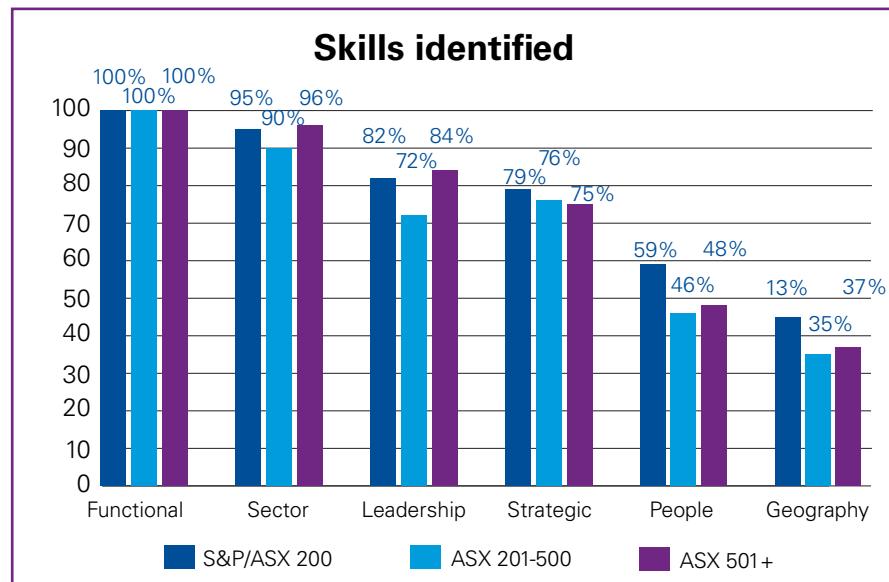
### Key findings

- The standard of board skills matrix disclosures under Recommendation 2.2 varied significantly across all three categories.
- The graph below highlights that entity size was a key indicator of adoption.

### Adoption Recommendation 2.2



The most frequently identified skills were:



### KPMG Observations

- The disclosures indicate functional skills, such as finance, legal and risk, were essential to board composition as these were identified by all entities adopting the recommendation. Sector skills, leadership experience and strategic skills were also frequently identified.
- Of skills addressed in this review, people skills and geographic experience were identified least frequently across all three categories.
- The relatively small proportion of entities that identified geographic experience is surprising. This is particularly true in the S&P/ASX 200 where, of the entities with overseas operations, only 49 percent identified geographic skills.
- With technology transforming the rules of business and reshaping industries in every sector, we expected technology and digital expertise to feature in the majority of board skills matrices. However, it was not one of the top six skills identified. This report sets the baseline for the emphasis boards place on certain skills and it will be interesting to monitor how the importance allocated to technology and digital skills evolves over the following years.
- The board skills matrix is a tool to identify the skills and capabilities that will enable the board collectively to meet the current and future challenges of the entity. Yet, the majority of entities identified the skills the board currently has, with few entities identifying any gaps in the current board's collective skills or addressing what skills may be required in the future.
- We encourage entities to improve their disclosure on the diversity component of the recommendation. Diversity, including a mix of skills, expertise, background, age, ethnicity and gender, is important to ensure there is:
  - enhancement of the board's decision making capabilities thereby lessening the risk of "group-thinking", and
  - a stronger connection with customers, employees and other stakeholders.
- There was a high level of adoption with recommendation 2.6, with the majority of entities across all categories disclosing details of their directors' induction program. However, the majority of disclosures only outlined the information provided to a new director to familiarise themselves with the entity's operations.

## Risk Management

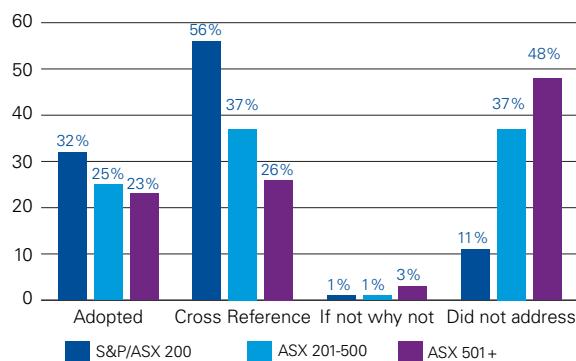
### Recommendation 7.4

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.

#### KPMG findings

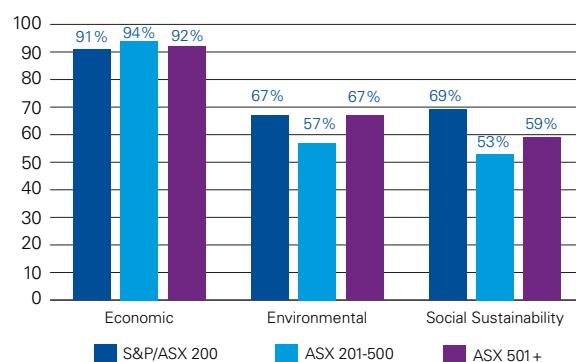
- The level and type of disclosures with respect to Principle 7 varied. In particular there was significant variation in the disclosures in relation to Recommendation 7.4.

#### Adoption of Recommendation 7.4



- The risks identified under Recommendation 7.4 are outlined below:

#### Material Risks Identified



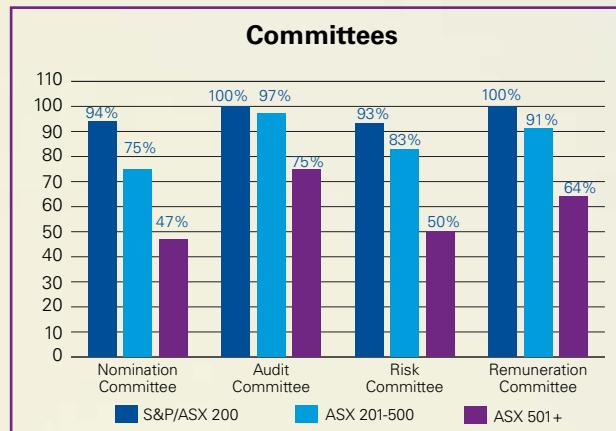
## KPMG Observations

- We identified two key issues with the adoption of Recommendation 7.4.
  - Firstly, there appeared to be significant differences in the interpretation of what constituted a material risk. For example, a review of sector specific reporting identified multiple instances of disclosures from entities in the same sector outlining very different risk profiles. In some cases, one entity identified material risks while another entity stated they had no material risks, notwithstanding they operated in the same sector with similar operations and were likely to be subject to a number of similar economic, environmental and/or social sustainability risks.
  - We also consider it unlikely that over 20 percent of companies did not have any material economic, environmental or social sustainability risks.
  - Secondly, a number of entities provided little, or no information to support the way in which they determined whether they had any material risks.
  - The Global Risk Report 2016<sup>1</sup> identified that three of the top five risks that would have a massive and devastating impact were social and/or environmental risks. These risks were failure to adapt to climate change, water crisis and large scale voluntary migration. In the Pacific region, severe energy price shock was the highest business concern, while many executives in the region identified significant risks associated with natural catastrophes, extreme weather events and water crisis. Emerging risk trends identified in the report included items such as ageing population, environmental degradation and urbanisation.
  - A majority of companies in the sample data did not consider these risks were material to their company and did not provide any information on the process they went through to form the conclusion they had no material economic, environmental and/or social sustainability risks.
- We consider the best disclosures addressed each of the three risk areas in the CGS and took the time to identify, for each risk:
  - whether the entity had an exposure to the risk
  - if the entity did not have a material exposure, why management believed that to be the case, and
  - if the entity did have a material exposure, either outlining how the risk is managed, or referring to another report that provided the relevant information.
- We consider there is considerable room for improvement in the manner in which entities chose to adopt Recommendation 7.4, in particular for entities below the S&P/ASX 200. A clearer explanation of the process used to identify whether material risks exist, and a consistent interpretation of what constitutes a “material” risk would provide better information for investors relying on the disclosures in Recommendation 7.4. The CGC may consider aligning the definition with ISO: 31000:2009.

<sup>1</sup> [The Global Risk Report 2016, 11th Edition, World Economic Forum](#) The survey asked experts and decision makers in business, academia, civil society and the public sector across multiple geographies to consider 29 global risks and rate each according to their perceived likelihood of it occurring and the impact if it does.

## Committee Structure

- There was a strong correlation between entity size and the establishment of a separate audit, risk, remuneration and/or nomination committee, with most of the S&P/ASX 200 establishing a committee to address each recommendation, while many of the ASX 201-500 and ASX 501+ entities assigned the relevant responsibilities to the board.



- The level and type of disclosure for entities that had established the relevant committees varied significantly, with few entities providing information in the CGS about the number of directors that sat on the committee, whether the chair was independent or the number of

meetings held during the year as required in sub-points under these recommendations. Disclosure would be improved if entities outlined a specific reference location where this information could be found.

- Where an entity did not adopt one or more of the sub-recommendations, the main reasons were:
  - a non-independent committee chair for entities in the S&P/ASX 200
  - a non-independent committee chair or not having the requisite number of members in the case of ASX 201-500 entities, and
  - not having the requisite number of members for most of the entities in the ASX 501+.

## 2 Introduction

In March 2014, the ASX Corporate Governance Council (CGC) issued the third edition of Corporate Governance Principles and Recommendations (the Recommendations). The Recommendations took effect on 1 July 2014 and this research report has been timed to examine the disclosures of ASX listed entities against the new recommendations in their first full year of reporting.

The main purpose of this research is to assist listed entities understand how their peers have responded to the new recommendations in the third edition and also to provide a resource about market practice with respect to corporate governance, disclosure expectations and for benchmarking.

To do this, we examined the disclosures of a sample of 600 randomly selected ASX listed entities in three separate categories:

- S&P/ASX 200
- ASX 201-500 by market capitalisation, and
- ASX 501 and over by market capitalisation ("ASX 501+").

The results of this research will also be useful in providing a baseline against which the standards of corporate governance practices can be assessed in future years.

This research has been funded by the ASX's Education and Research Program.

# Background

## The ASX Corporate Governance Council (CGC)

The ASX Corporate Governance Council (CGC) was convened by the ASX in 2002 and comprises 21 business, shareholder and industry organisations. Since that time the CGC has issued three separate editions of the Corporate Governance Principles and Recommendations for ASX listed entities.

Under Listing Rule 4.10.3, ASX listed entities are required to benchmark their corporate governance practices against the Recommendations and, where they do not conform, to disclose that fact and the reasons why. The rule effectively encourages listed entities to adopt the CGC's recommended practices but is not mandatory. It gives a listed entity the flexibility to adopt alternative corporate governance practices, if its board considers those to be more suitable to its particular circumstances, subject to the requirement for the board to explain its reasons for adopting those alternative practices.

The ASX monitors compliance with this Listing Rule requirement to report against the Recommendations and takes enforcement action where required. Most often this is in the form of supplementary disclosure by listed entities.

## This research

The Recommendations cover a wide-range of corporate governance matters including board role, responsibilities and composition; codes of conduct; controls around financial reporting; continuous disclosure; shareholder communication; risk management; and remuneration.

However this report only addresses the following new or revised recommendations in the third edition:

- Recommendation 1.2 – director appointment
- Recommendation 1.3 – written agreements with directors and senior executives
- Recommendation 1.4 – company secretary reporting line
- Recommendation 2.2 – board skills matrix
- Recommendation 2.6 – director induction and professional development
- Recommendation 4.3 – external auditor attendance at AGM
- Recommendation 6.1 – information about entity and governance on website
- Recommendation 6.2 – investor relations program
- Recommendation 6.4 – facilitating electronic communication
- Recommendation 7.2 – annual risk review
- Recommendation 7.3 – internal audit function
- Recommendation 7.4 – material exposure to economic, environmental and social sustainability risks

The review also analysed the proportion of entities that chose to adopt the alternative to having a committee structure allowed by Recommendations 2.1, 4.1, 7.1 and 8.1. Lastly the third edition allowed listed entities to streamline their annual reports by making their corporate governance disclosures on their websites and we have examined the proportion who did so.

# Methodology

This report provides an analysis of the corporate governance disclosures made by a selection of listed entities.

## Samples

The ASX official list (as at 30 September 2015) was divided into three categories for the purpose of the report:

Stratum of ASX	Sample size
S&P/ASX 200	192 entities
ASX 201 – 500 by market capitalisation	193 entities
ASX 501+ by market capitalisation	190 entities

*A sample from each category was selected using the methodology described below.*

## S&P/ASX 200

All entities in the S&P/ASX 200 as at 30 September 2015 with 30 June up to 31 December reporting dates were selected for analysis as entities within this category generally set the benchmark for corporate governance best practice.

Entities with a 31 March 2015 year end were not required to adopt the third edition for the purpose of their 2015 annual reports. As such, we have excluded a number of entities from the S&P/ASX 200 which had 31 March 2015 year ends and were not early adopters of the third edition.

All other entities (not in the S&P/ASX 200) were ranked according to market capitalisation as at 30 September 2015.

## ASX 201 – 500 sample (ASX 201-500)

Two hundred out of the next 300 entities by market capitalisation (i.e. entities that were ranked 201 to 500 by market capitalisation) were randomly selected<sup>3</sup> for inclusion in the ASX 201- 500 category for review.

However, in the process of our review it became apparent that seven entities were not reporting against the third edition and these entities were removed from our analysis.

## ASX 501 and over sample (ASX 501+)

Two hundred entities, outside of the top 500 based on market capitalisation (i.e. entities

that were ranked 501 to 2188 by market capitalisation), were randomly selected<sup>3</sup> for inclusion in the ASX 501+ category for review.

However, in the process of our review it became apparent that 10 entities were not reporting against the third edition and for this reason these entities were removed from our analysis.

In all three categories, entities that were delisted or suspended since 30 September 2015, externally managed listed entities<sup>4</sup>, foreign exempt entities and debt issuers<sup>5</sup> were excluded from the sample.

A list of entities included in each of the three categories can be found at Appendix I.

## Analysis

We examined the corporate governance statement, annual and other reports (where these were referred to) of each selected entity to determine how the entity had dealt with each of the recommendations set out in Section 3. Any examples of corporate governance disclosures included in this Report have been extracted directly from the relevant entity's annual report or corporate governance statement.

Under the CGC's corporate governance framework, entities are expected to follow the recommendation or say they do not ('if not, why not'). While best efforts have been taken to achieve consistency, there is a degree of subjectivity in assessing whether the entity has 'if not, why not' reported or should be treated as not having addressed the recommendation at all.

We also examined our findings for each sample by reference to:

- Market Capitalisation (as at 30 September 2015)
- Global Industry Classification Standard (GICS) sector.

Please refer to Appendix 1 for a breakdown of the GICS sectors reviewed. It should be noted that when analysing each sample, GICS sectors with less than eight entities were excluded from our analysis.

<sup>3</sup> Random selection was used to achieve a fair representation across sector and market capitalisation.

<sup>4</sup> Externally managed listed entities follow a modified set of the Recommendations.

<sup>5</sup> Listed entities classified as 'debt issuers' do not have to comply with ASX Listing Rule 4.10.3 - the 'if not why not' reporting against the Recommendations.

# Disclaimers

## **Inherent limitations**

This report has been prepared as agreed in KPMG Australia's (KPMG) Terms of Engagement with the ASX. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

The findings in this report are based on a qualitative study and the reported results reflect a perception of KPMG but only to the extent of the sample surveyed, being ASX listed entities.

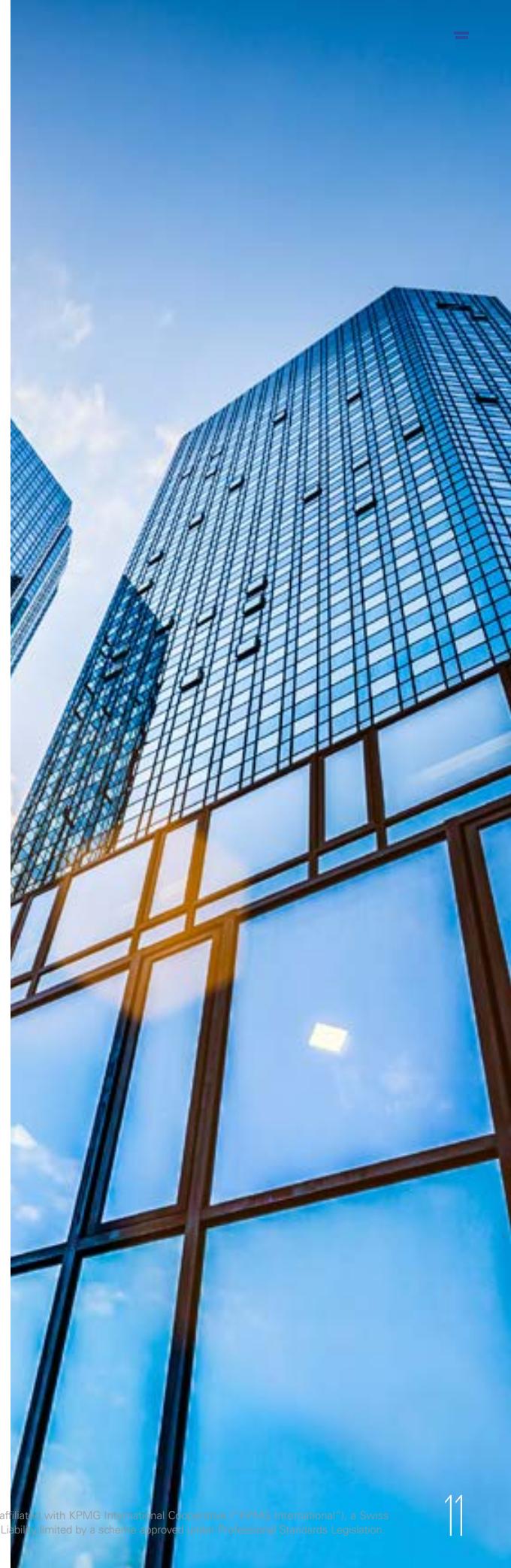
KPMG has indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

## **Third party reliance**

This report has been prepared at the request of the ASX Education and Research Program in accordance with the terms of its engagement with KPMG. Other than our responsibility to the ASX, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that third party's sole responsibility.



## 3

# Board Skills

## Recommendation 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.

## Recommendation 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.

## KPMG findings

### Board skills matrix

- There was a large variation in the standard of board skills matrix disclosures.
- While Recommendation 2.2 refers to a skills ‘matrix’, the following formats were widely used and were also considered to have met the spirit of the recommendation:
  - bullet points of key skills, and
  - a detailed narrative outlining the relevant skills deemed necessary in board composition.
- The majority of entities who adopted the recommendation (74 percent across all categories) elected to disclose board skills in a matrix format.
- There was a strong correlation between entity size and adoption of the recommendation, with 93 percent of S&P/ASX 200 entities providing a skills matrix (or appropriate alternative) compared to 64 percent of ASX 201-500 and 55 percent of ASX 501+ entities.
- Some entities sought to address the recommendation simply by referring to the qualifications and experience of their directors as outlined in their annual reports. Where the annual report or CGS did not specifically identify the relevant skills each director was contributing to the board, the entity was taken not to have met the spirit of the recommendation. Of the entities that did not adopt the recommendation fifty-seven percent took this approach.
- The skills most commonly identified in our research were functional, sector, leadership, strategic, people and geographic skills. The disclosures indicated functional skills such as finance, legal and/or risk were considered important for all boards as they were found in all entities that adopted the recommendation.
- The second most common skill set across all categories were relevant sector experience followed by leadership (CEO/CFO or board) experience.
- People skills and geographic experience were identified in fewer boards across all categories.
- Other skills that were identified less frequently across all categories included experience or expertise in:
  - technology, particularly digital technology
  - mergers and acquisitions
  - capital management, and
  - sustainability.

### Director induction and development

- There was a high level of adoption across all categories, with most entities following the recommendation or providing a reason why not. Some entities acknowledged they did not have a formal induction program. Where an entity identified the steps and processes in place to familiarise new directors with the entity’s operations, it was considered to have adopted the recommendation.
- Where entities provided information on the recommendation in the CGS, they generally provided information about director’s induction programs but few outlined the programs and policies in place to enable their directors to develop and maintain their skills.

## KPMG Observations

### Board skills matrix

- The percentage of entities deemed to have provided adequate disclosure of the board skills matrix was significantly lower than most other recommendations addressed in this report, with the exception of Recommendation 7.4.
- While a board skills matrix format is considered best practice, a formal matrix may not be appropriate for the size or complexity of certain entities.
- Where a formal matrix is not appropriate, we encourage boards to summarise the key skills considered necessary in the board's composition.
- Some entities noted that a board skills matrix had been established, however this was not disclosed in the CGS, or elsewhere. We encourage these entities to disclose the skills the board has identified as being necessary.
- The level of explanation provided for each skill also varied considerably. While some entities described the attributes required for a director to possess a specific skill, many only noted key words in the board skills matrix and provided no further explanation.
- While it may be clear whether an individual possesses certain skills, there can be practical difficulties and a degree of judgement in determining whether an individual possesses other skills. For example, does the possession of an accounting degree mean the individual possesses accounting skills, and more importantly, demonstrates those skills on the board.
- It is to be expected that skills such as finance, legal and risk are the cornerstone of board skills. However, it would appear that the majority of entities did not consider people skills and geographic experience to be essential as these were not represented on many boards. This is particularly surprising in the S&P/ASX 200 where the majority of entities have overseas operations and a large employee population.
- IT and digital skills were identified less frequently than functional, sector, leadership, strategic, people and geographic skills. With technology transforming the rules of business and reshaping industries in every sector, we expected technology and digital expertise to feature in the majority of board skills matrices. This report sets the baseline for the emphasis boards place on certain skills and it will be interesting to monitor how the importance allocated to technology and digital skills evolves over the following years.
- We encourage boards to address the diversity component in this recommendation by providing greater disclosure about the diversity of the board, not only in terms of gender but also age, tenure, ethnicity and other key areas.

### Director induction and development

- While the majority of entities across all categories adopted the recommendation and provided details of their directors' induction program, many of the disclosures only outlined the information that is provided to a new director to familiarise themselves with the entity's operations.
- Some entities, particularly in the ASX 501+ category, relied on the Appendix 4G to indicate that they had adopted the recommendation and did not provide further details in their CGS about the programs or of the opportunities provided to directors to develop their skills.
- We have assessed these entities to have adopted the recommendation but recommend that, in future, they provide information about their director induction and development initiatives in the CGS.

## Examples of disclosures in narrative format that were considered to have met the spirit of Recommendation 2.2

Development of strategy and policy, financial literacy, industry experience, banking and finance, risk management, compliance oversight, sales and commercial experience are some of the desirable skills identified in the matrix and these are collectively available on the Board.

The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, risk, IT, HR, policy development, and customer relationship.

## Examples of 'if not, why not' disclosures

- The entity does not have a board skills matrix, but reviews the skills and experience of the board regularly to ensure that it has the appropriate mix of diversity.
- The Board ensures that the executive team and directors are suitably qualified and experienced to discharge their responsibilities. The Board takes into account the mix of skills of each of the directors. The mix of skills and diversity which the Board is looking to achieve in its composition includes a broad range of business experience and the technical expertise required to discharge their duties.

## Example of inadequate disclosure

- The CGS or Appendix 4G simply cross referenced the director's report that contained an outline of the positions held, qualifications and experience of each director but no further information as to the skills that were relevant to the board in question.

Our review identified that entities typically grouped skills into the following categories:

Functional skills include:

- Finance or accounting expertise
- Governance and risk management experience
- Legal and/or regulatory experience

Sector skills include:

- Broad experience across related industries
- Relevant experience at a domestic or international business in the same, or related industry

Leadership skills include:

- Sustained success at CEO or senior executive level in a major business
- Senior executive experience in a major organisation that is subject to regulated controls

Geographic skills include:

- Experience in an international market exposed to a range of political, cultural, regulatory and business environments
- Specific reference to overseas experience in the board skills matrix, such as sector experience in the Middle East, North America, Asia Pacific and Europe

People skills include:

- Experience with managing people and teams, including the ability to appoint and evaluate CEO and senior executive level managers, oversee strategic human resource management, talent development, engagement and organisational change
- Remuneration Committee membership or experience in relation to remuneration arrangements, including incentive programs and design
- Senior executive experience in human resource management of a diverse workforce

Strategic skills include:

- Experience in developing, implementing and challenging the long term strategy of an organisation

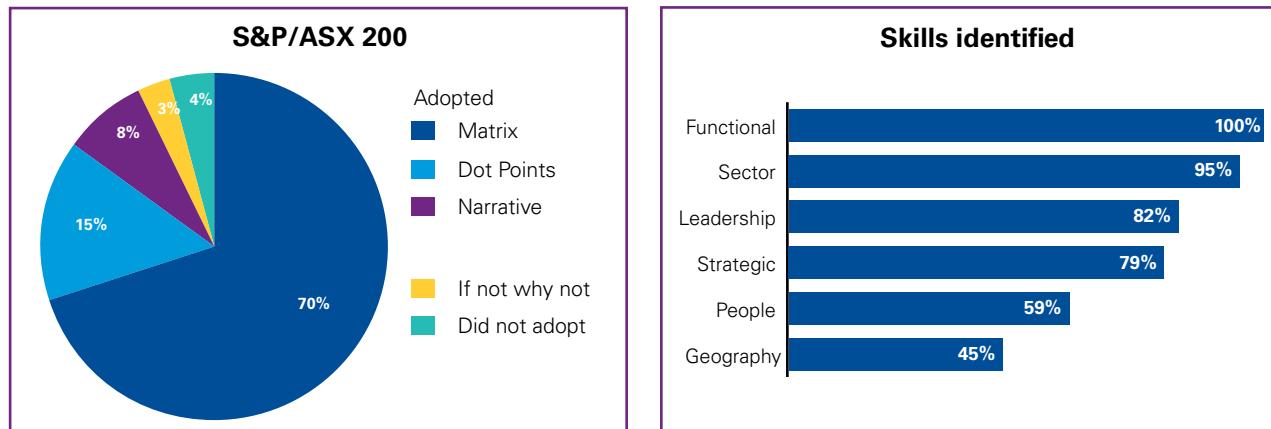
Other skills that were identified by entities included:

- Technology, particularly digital technology
- Mergers and acquisitions
- Capital management
- Sustainability

## Recommendation 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.

### S&P/ASX 200

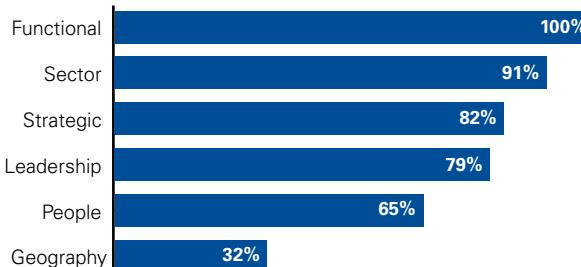
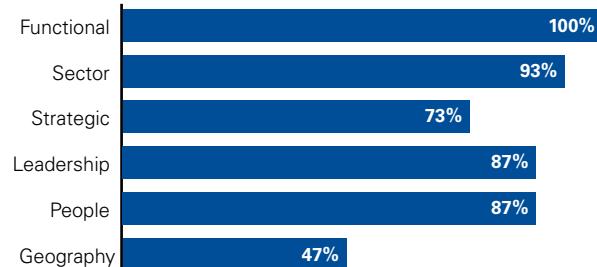
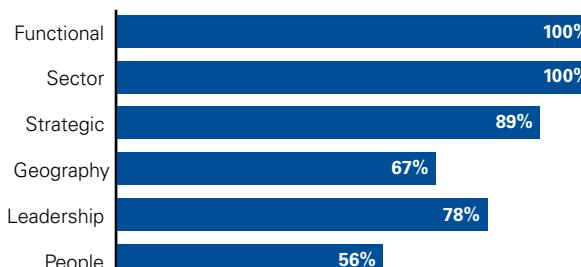
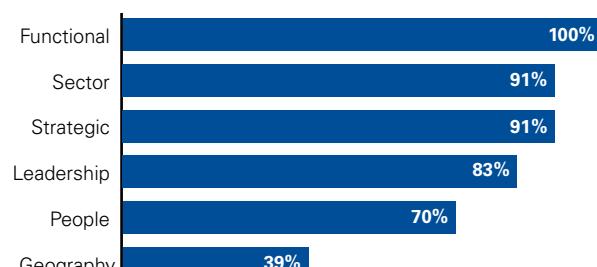
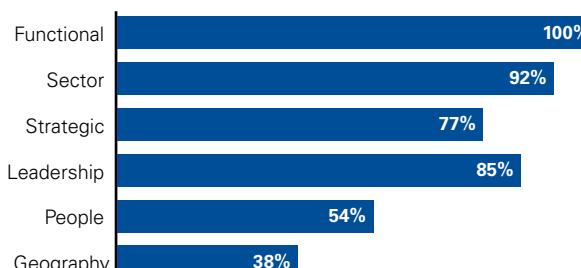
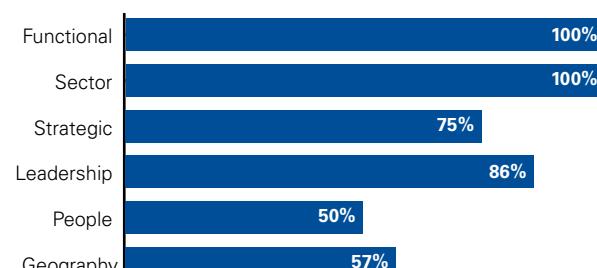
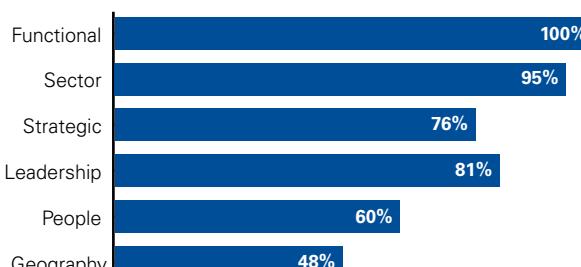


- Ninety-three percent of entities in the category were found to have adopted Recommendation 2.2 by including a board skills matrix, or appropriate alternative. In addition, 3 percent elected to explain why they did not have, or disclose a board skills matrix. For the reasons explained earlier, the remaining 4 percent of the S&P/ASX 200 entities that simply cross referenced the annual report were deemed not to have provided the level of disclosure that would meet the spirit of the recommendation.
- The majority of entities that adopted the recommendation clearly disclosed the skills they consider necessary in their board composition, and outlined this information in a matrix format. While not required by the recommendation, 35 percent of entities also disclosed the proportion of the board that possess the relevant desired skills.
- Some entities also included supplementary information such as director age and board tenure in the board skills matrix.
- The majority of entities identified the skills the board currently had, however very few entities acknowledged gaps in the skill sets of the current board or addressed what skills may be required in the future.

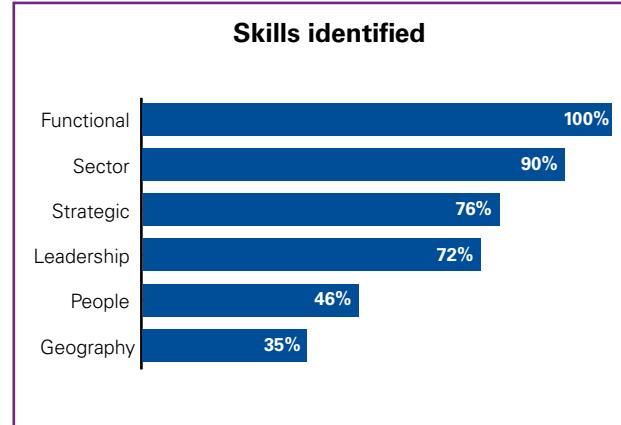
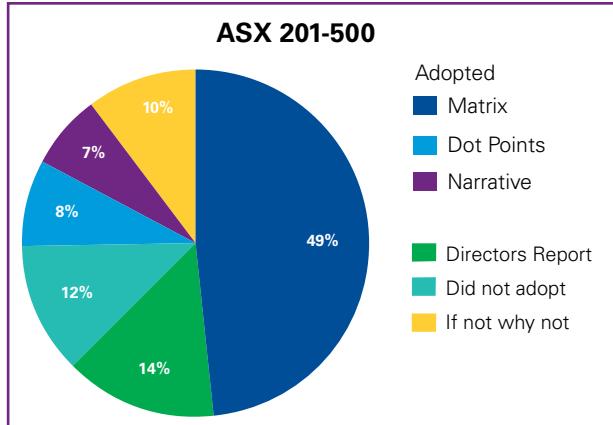
- Functional skills were identified by all entities in the S&P/ASX 200 that adopted the recommendation. Sector expertise and leadership experience were also identified frequently across the sample.
- Of the entities with overseas operations, only 49 percent identified geographic knowledge or experience as being essential for, or represented on, their boards.

### Sector Analysis

- Sector specific skills were identified as critical in all companies in the materials and consumer staples sectors, and were cited by over 90 percent in all other sectors.
- Despite the geographic diversity of many entities operating in the energy, industrials and materials sectors, only 38 percent, 39 percent and 57 percent of entities in these sectors respectively identified geographic skills as important to the board composition.
- Only half of entities in the materials industry identified people skills as being important in board composition.
- Eighty-seven percent of entities in the health care sector identified people skills as being essential to board composition, the highest among all sectors in the S&P/ASX 200.

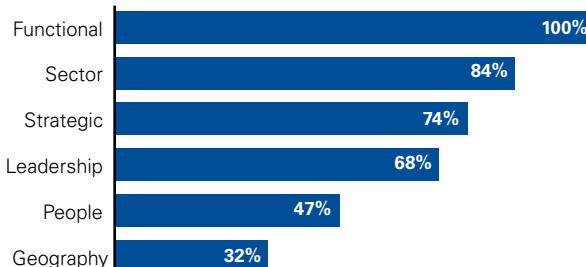
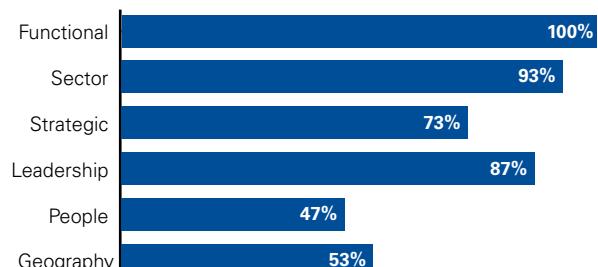
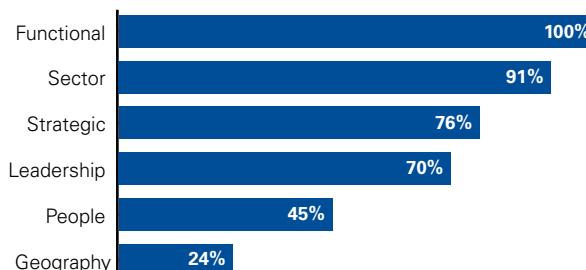
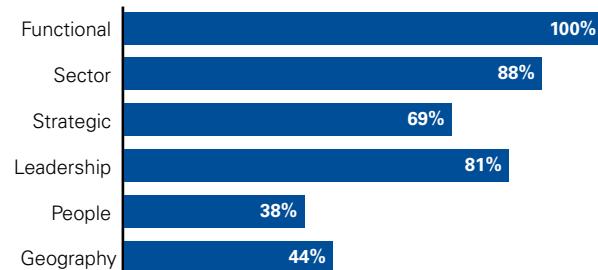
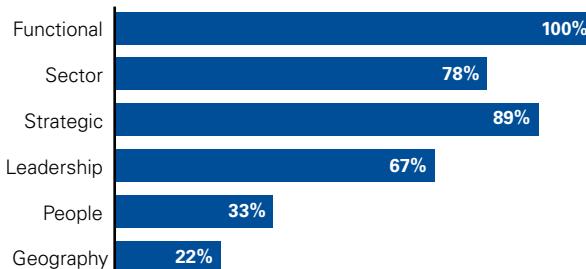
**Consumer Discretionary****Health care****Consumer Staples****Industrials****Energy****Materials****Financials**

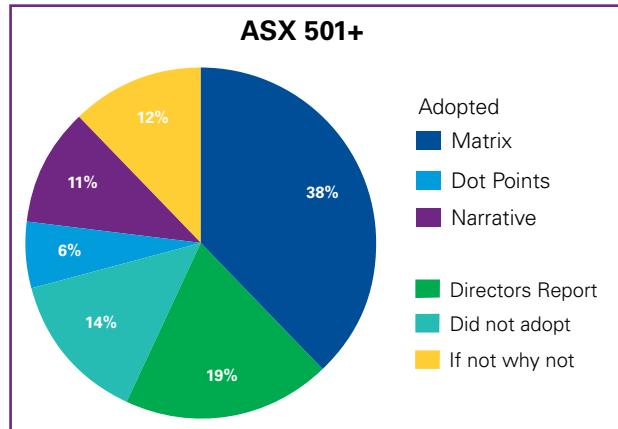
## ASX 201-500



- Adoption of Recommendation 2.2 was lower in the ASX 201-500 category, with 64 percent of entities (compared to 93 percent among S&P/ ASX 200 entities) providing a board skills matrix, or appropriate alternative. This demonstrates a strong correlation between entity size and adoption of the recommendation.
- Of the entities that provided inadequate disclosure or did not address the recommendation, the majority (54 percent) referred to the directors' biographies in their annual reports without identifying the relevant skills that the directors were contributing to their boards.
- Entities that were considered to have adopted an 'if not, why not' approach included:
  - entities that did not provide any details about board skills but noted that they reviewed their board composition regularly to ensure they continued to maintain the desired mix of diversity and skills;
  - entities that outlined that the introduction of a board skills matrix was in progress, and
  - entities that did not consider a matrix was necessary to identify any gaps or skills given the size and composition of the current board.

- As with the S&P/ASX 200 category, functional skills were the most frequently identified skills. Sector expertise, strategic and leadership experience were also identified relatively frequently across the sample.
- Geographic experience (35 percent) and people skills (46 percent) were the least frequently identified skills.

**Consumer Discretionary****Industrials****Financials****Materials****Health care**

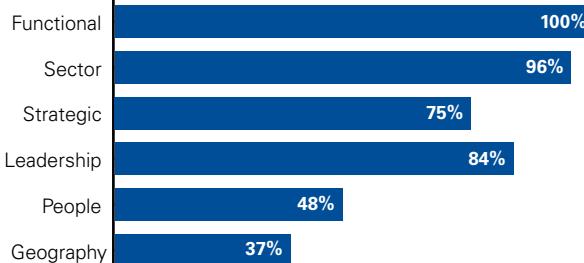
**ASX 501+**

- Adoption of the recommendation was slightly lower in the ASX 501+ category, with 55 percent of entities providing a board skills matrix, or appropriate alternative (compared to 93 percent of S&P/ASX 200 and 64 percent of ASX 201-500 entities).
- Entities that were considered to have adopted an 'if not, why not' approach included:
  - entities that did not provide any details about board skills but noted that they reviewed their board composition regularly to ensure they continued to maintain the desired mix of diversity and skills;
  - entities that outlined that the introduction of a board skills matrix was in progress, and
  - entities that did not consider a matrix was necessary to identify any gaps in the board skills given the size and composition of the current board.
- As with the S&P/ASX 200 and ASX 201-500 categories, the majority of entities (69 percent) that adopted the recommendation provided the information in matrix format.

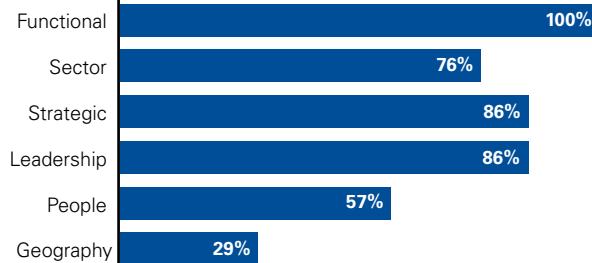
- As with the other categories, the majority of entities (58 percent) that provided inadequate disclosure, or did not address the recommendation at all, simply referred to the directors' biographies in their annual reports without identifying the relevant skills the directors were contributing to their boards.
- Nearly all entities in this category identified sector skills and functional skills as being equally important for the composition of the board, with strategy and leadership skills identified consistently across the sample.
- People and geographic experience were the least frequently identified skills.

## Skills Identified

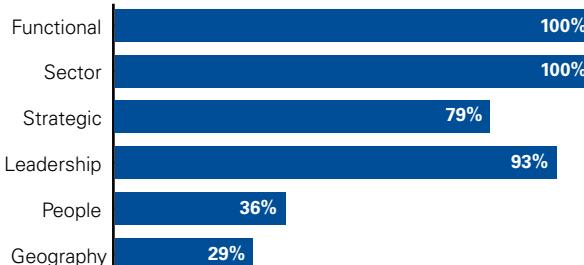
### ASX 501+



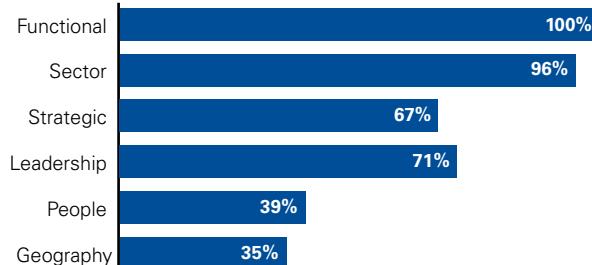
### Industrials



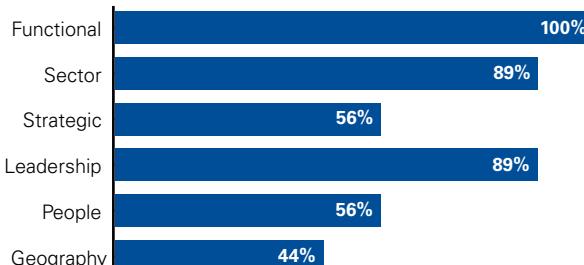
### Energy



### Materials



### Health care



## Examples of good practice

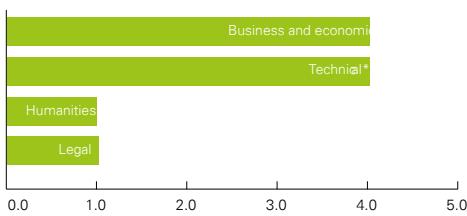
### Tabcorp

<b>Leadership</b> Sustained success at CEO or senior executive level in a major business.	<b>People</b> Experience with managing people and teams, including the ability to appoint and evaluate CEO and senior executive level managers, oversee strategic human resource management, talent development, engagement and organisational change.	<b>Information technology</b> Knowledge and experience in the use and governance of critical information technology infrastructure and applications.	<b>Industry experience</b> Experience at a domestic or international gambling business, or related racing, sport, or entertainment business.
<b>Strategy and development</b> Experience in executing or overseeing strategy implementation and developing new businesses, including start-ups, mergers, acquisitions and divestments.	<b>Remuneration</b> Experience in a Board Remuneration Committee or at a senior executive level in relation to overseeing remuneration practices, including incentive plans, superannuation and legislative frameworks.	<b>Digital innovation</b> Experience in leveraging digital technology to drive competitive strategies, innovation, revenue growth and business performance.	<b>International experience</b> Experience in international market, exposed to a range of political, cultural, regulatory and business environments.
<b>Financial acumen</b> Qualifications and experience in accounting and/or finance, including the ability to assess the quality of financial controls, analyse financial statements, assess financial performance, and oversee capital management and funding arrangements.	<b>Sustainability/corporate social responsibility</b> Experience related to workplace health and safety, environmental and social responsibility, and community.	<b>Retailing and marketing</b> Experience at a significant retail business, including multi-channel distribution, development of winning products, customer service and management strategies, and marketing to retail and online consumers.	
<b>Governance, risk and compliance</b> Knowledge and experience in best practice governance structures, policies and processes, including establishing risk and compliance frameworks, identifying and monitoring key risks.	<b>Public policy</b> Experience in public and regulatory policy, including established relationships with industry groups and government in NSW, Victoria, Queensland, Northern Territory or nationally.		

 The names and details of the experience, qualifications, special responsibilities (including Committee memberships), and term of office of each Director of the Company can be found in the 2015 Concise Annual Report on pages 24 to 25.

## Downer

### Professional qualifications



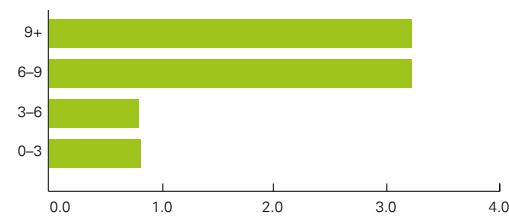
\*Comprises construction, engineering, metallurgy and science.

### Industry experience

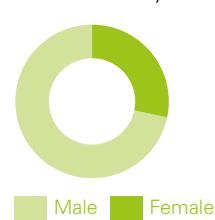


\*Includes banking, finance and legal.

### Tenure



### Gender diversity



## Worley Parsons

### SKILLS AND EXPERIENCE (OUT OF 9 DIRECTORS)

#### Leadership and Governance

Leadership	9
Corporate Governance	8
Strategy	9

#### Operations

Health and Safety	5
Engineering	4
Project Delivery	5

#### Sector Experience

Hydrocarbons	6
Minerals, Metals & Chemicals	5
Infrastructure	4

#### Geographic Experience

Asia Pacific	7
Latin America	3
North America	7
Sub-Saharan Africa	2
Europe/Middle East/North Africa	8

#### Finance and Risk

Accounting	5
Finance	8
Acquisitions	9
Risk Management	9

#### People

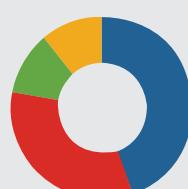
Human Resources	7
Remuneration	7

#### Technology

Technology	4
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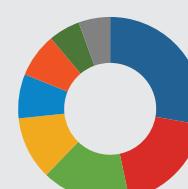
## DIVERSITY OF DIRECTORS

### TERTIARY QUALIFICATIONS



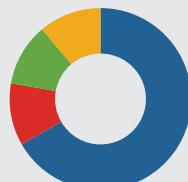
- Engineering/Science
- Commerce/Accounting
- Law
- Other

### INDUSTRY EXPERIENCE



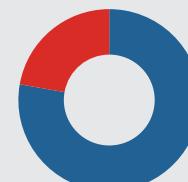
- Engineering
- Oil and Gas
- Finance
- Science and Technology
- Mining
- Manufacturing
- Power
- Legal Services

### RESIDENCY



- Australia
- Canada
- China
- United Kingdom

### GENDER



- Men
- Women

**Kingsgate Consolidated****Board Experience, Skills and Attributes Matrix**

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Total Directors	5	4	5	4
<b>EXPERIENCE</b>				
Corporate leadership	5	4	5	4
Experience in senior corporate leadership role				
International experience	5	4	5	4
Senior experience in multiple international locations				
Resource industry experience	4	3	4	3
Relevant industry (mining, exploration) experience				
Other Board level experience	3	2	3	2
Board roles at other listed entities (last 3 years)				
Capital projects	4	3	4	3
Major resources capital project development and management				
<b>TERTIARY QUALIFICATIONS</b>				
Geology/Engineering	1	0	1	0
Accounting/economics	2	2	2	2
Law	1	1	1	1
<b>GENDER</b>				
Female	1	1	1	1
Male	4	3	4	3
<b>TENURE</b>				
0-3 years	2	2	2	2
3-6 years	1	0	1	0
6-9 years	0	0	0	0
9+ years	2	2	2	2

### Recommendation 2.6 – Directors Induction Program

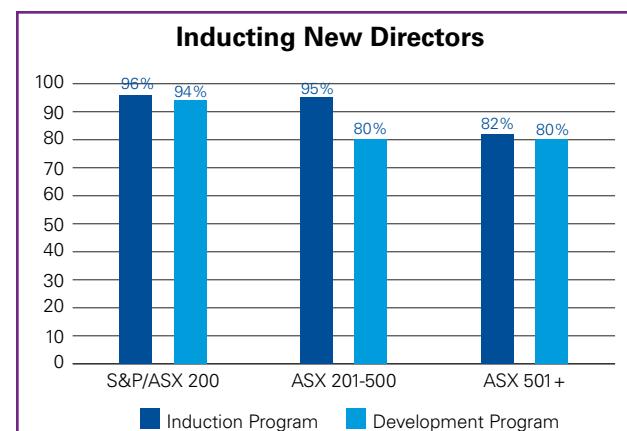
A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

	Adopted	If not, why not	Did not adopt
S&P/ASX 200	99%	1%	-
ASX 201 – 500	96%	2%	2%
ASX 501+	90%	5%	5%

- There was a high level of adoption across all categories, with most entities following Recommendation 2.6 or providing a reason why not.
- Some entities relied on the Appendix 4G to indicate that they had adopted the recommendation and did not provide further details in their CGS about the programs or opportunities provided to directors to develop their skills. We have assessed these entities to have adopted the recommendation but recommend that in future, they provide information about their director induction and development initiatives in the CGS.
- There was a correlation between entity size and reliance on the Appendix 4G, with entities outside the S&P/ASX 200 more likely to use the Appendix 4G to indicate that they had adopted the recommendation.
- Where an entity did provide information in the CGS about their director induction and development programs, these typically included the following:

Induction Program	Development Program
– Access to board reference documents, including minutes from previous meetings	– AICD membership and courses
– Access to entity policies and strategic plan	– Opportunities to broaden understanding of the business by visiting offices in different locations
– Meetings with executives and senior management	– Attendance at industry conferences
– Inspections of key sites	

- Where entities provided information on the recommendation in the CGS, there was consistently more information provided about directors' induction programs, with fewer entities outlining the programs and policies in place to enable their directors to maintain and develop their skills.
- The chart below outlines the proportion of entities that provided further commentary in the CGS about director induction and development programs.



Common 'if not, why not' explanations included:

- Development of an induction program was in progress, and
- An induction program was not considered necessary for the size of the entity and its stage of development.



## Examples of good practice

### **Tabcorp**

Each observer undertakes an induction program and is provided with access to Tabcorp's online Directors' Knowledge centre, the Tabcorp Group's strategic plan and other materials to assist them to participate fully and actively in all Board decision-making at the earliest opportunity. In addition, upon being invited to join the Tabcorp Board, every observer receives a letter of appointment, which is a written agreement setting out the key information and terms and conditions applicable to their appointment as a Director of Tabcorp.

The induction program aims to provide the observer with the relevant knowledge regarding the processes of the Tabcorp Board, Board culture, the role and responsibilities of a Tabcorp Director, the Tabcorp Group's strategic direction, the nature of the Group's businesses, industry matters, the Group's financial position, key senior management, operational and risk management practices and the major issues facing the Tabcorp Group. The induction program includes meetings with each Senior Executive Leadership Team member and their leadership team, site tours, and specific matters of interest to each observer.

### **Boral**

Management, with the Board, provides an orientation program for new Directors. The program includes discussions with executives and management, the provision to the new Director of materials such as the Strategic Plan, the Code of Business Conduct and the Share Trading Policy, site visits to some of Boral's key operations and discussions with other Directors. In FY2015 the induction process for new non-executive Directors was refreshed and modernised. The new process provides non-executive Directors with greater exposure to the Company's strategy and operations and its governance arrangements before joining the Board.

### **Telstra**

We also have in place a continuing education program for Directors that is part of the annual Board cycle. Specific sessions are scheduled around Board meeting dates and we provide other appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. During the year, our program included visits to overseas operations and meetings with industry experts, local stakeholders and our customers, as well as attendance at relevant industry conferences. Risk Management

## 4

# Risk Management

## Recommendation 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.

## Recommendation 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.

## Recommendation 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.

## KPMG findings

- The level and type of disclosures with respect to Principle 7 varied considerably.
- The majority of entities confirmed their risk policy is to review the risk framework annually, however many entities failed to confirm they had actually undertaken a review in the current period.
- The majority of entities in all categories adopted Recommendation 7.3 and either had an internal audit function, or provided an explanation for why not.
- There was a strong correlation between entity size and the presence of an internal audit function, with 78 percent of S&P/ASX 200 entities establishing an internal audit function, compared to 36 percent of ASX 201-500 and 14 percent of the ASX 501+ entities.
- Where an internal audit function was not established, the majority of entities assigned responsibility to the Audit Committee or the board.
- The majority of entities sought to adopt Recommendation 7.4 by referring to another report, such as the annual report or sustainability report. While referring to the sustainability report is permitted by the commentary to the recommendation, many entities referred to the annual report and in particular the Operating and Financial Review, which often only addressed financial risks.
- Overall, where an entity addressed the recommendation in the CGS and identified that they had a material exposure to one or more risks, the majority identified how these risks were managed.

## KPMG observations

- Entities that have adopted Recommendation 7.2 could improve their disclosures by providing further insight into the process and steps undertaken in reviewing the risk framework, to enable stakeholders to understand the scope of the review.
- The quality of disclosures for entities that established an internal audit function also varied. While many entities outlined the role and responsibilities of internal audit, some simply stated that an internal audit function was in place to monitor and review risk. We encourage entities to provide greater disclosure in relation to the responsibilities of the internal audit function.
- Where entities provided further insight into the remit of the internal audit function, in most instances the internal audit team was solely focused on improving the entity's financial controls. We encourage entities that have an internal audit function to consider extending the remit to include addressing the key risks facing the business.
- We identified two key issues with the adoption of Recommendation 7.4:
  - Firstly, there appeared to be significant differences in the interpretation of what constituted a material risk. For example, a review of sector specific reporting identified multiple instances of disclosures from entities in the same sector outlining very different risk profiles. In some cases, one entity identified material risks while another entity stated they had no material risks, notwithstanding they operated in the same sector with similar operations and were likely to be subject to a number of similar economic, environmental and/or social sustainability risks.
  - Secondly, a number of entities provided little, or no information to support the way in which they determined whether they had any material risks. The Global Risk Report 2016<sup>6</sup> identified that three of the top five risks that would have a massive and devastating impact were social and/or environmental risks. These risks were failure to adapt to climate change, water crisis and large scale voluntary migration. In the Pacific region, severe energy price shock was the highest business concern, while many executives in the region identified significant risks associated with natural catastrophes, extreme weather events and water crisis. The emerging risk trends identified in the report included items such as ageing population, environmental degradation and urbanisation. A majority of companies in the sample data did not consider these risks were material to their company and did not provide any information on the process they went through to form the conclusion they had no material economic, environmental and/or social sustainability risks
- There is considerable room for improvement in the manner in which entities choose to adopt Recommendation 7.4, in particular for entities outside the S&P/ASX 200. A clearer explanation of the process used to identify whether material risks exist, and a consistent interpretation of what constitutes a 'material' risk would provide better information for investors relying on the disclosures in Recommendation 7.4. The CGC may consider aligning the definition with ISO:31000:2009. We also consider it unlikely that over 20 percent of entities do not have any material economic, environmental and/or social sustainability risks.
- We consider the best disclosures addressed each of the three risk areas in the CGS and took the time to identify, for each risk:
  - whether the entity had an exposure to the risk
  - if the entity did not have a material exposure, why management believed that to be the case, and
  - if the entity did have a material exposure, either outlined how the risk is managed, or referred to another report that provided the relevant information.

<sup>6</sup> The Global Risks Report 2016, 11th Edition, World Economic Forum. The survey asked experts and decision makers in business, academia, civil society and the public sector across multiple geographies to consider 29 global risks and rate each according to their perceived likelihood of it occurring and the impact if it does.

## Recommendation 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.

Policy to review risk management framework annually	Yes	No
S&P/ASX 200	98%	2%
ASX 201-500	93%	7%
ASX 501+	89%	11%

Company specifically stated review undertaken in reporting period	Yes	No
S&P/ASX 200	96%	4%
ASX 201-500	90%	10%
ASX 501+	76%	24%

- There was a high level of adoption of Recommendation 7.2(a) in the S&P/ASX 200 and ASX 201-500 categories, with the majority of entities confirming their risk policy is to review the risk management framework annually to confirm it continues to be sound.
- Many entities that did not adopt Recommendation 7.2(a) noted that the framework was reviewed regularly, but did not confirm how frequently such a review was conducted. It would be more helpful if these entities confirmed that a review is conducted regularly, and at least annually.
- There was a lower level of adoption of Recommendation 7.2(b), with many entities failing to confirm they had undertaken a review of the risk framework in the current period<sup>7</sup>, or providing an appropriate explanation as to why not.

- Many entities included a description to note that the 'Board receives assurance from management that the entity has a sound risk management framework', however they failed to identify whether this assurance was provided in the period.
- The level and type of disclosures for Recommendation 7.2 varied across all categories with many entities merely stating the policy was to review the framework annually and provided no further insight into what processes were undertaken in conducting a review that would have enabled stakeholders to understand the quality of the review.
- Other entities included a statement under the Audit Committee responsibilities to note the Audit Committee is accountable for reviewing the risk management framework annually. However, as no further information was provided under the risk section of the CGS this could be easily overlooked. In such instances, it would be helpful for the entity to provide a more specific reference location in the Appendix 4G<sup>8</sup>.

<sup>7</sup> An amended version of Appendix 4G released on 2 November 2015 specifically requires entities to specify where they have addressed Recommendation 7.2 (b).

<sup>8</sup> An amended version of Appendix 4G released on 2 November 2015 specifically requires entities to specify where they have addressed Recommendation 7.2 (b).

### Recommendation 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.

	<b>Adopt 7.3 (a) – Internal Audit function</b>	<b>Adopt 7.3 (b) - No Internal Audit but alternative processes identified.</b>	<b>Did not adopt</b>
<b>S&amp;P/ASX 200</b>	78%	22%	-
<b>ASX 201-500</b>	36%	60%	4%
<b>ASX 501+</b>	14%	78%	8%

- The majority of entities across all categories adopted the recommendation or provided a reason why not.
- There was a strong correlation between entity size and the presence of an internal audit function. Seventy-eight percent of the S&P/ASX 200 had established an internal audit function, however only 36 percent of ASX 201-500 and 14 percent of ASX 501+ entities had established an internal audit function. This is likely due to the comparative size and number of employees in these entities.
- The majority of entities that did not have an internal audit function provided an outline of the alternative processes employed to ensure continual improvement of their risk management systems. However, the level of detail provided in respect of these alternative disclosures varied significantly, with some entities simply stating an internal audit function had been established to monitor risk and provided no further insight into the accountabilities of this function.
- Where an internal audit function was not implemented, in most instances entities identified that responsibility for internal audit had been assigned to the Audit & Risk Committee, the Board and/or Senior Management.

	<b>Audit &amp; Risk Committee</b>	<b>Board</b>	<b>Management</b>	<b>Other Process</b>
<b>S&amp;P/ASX 200</b>	46%	9%	7%	38%
<b>ASX 201-500</b>	41%	24%	12%	23%
<b>ASX 501+</b>	30%	41%	14%	15%

- The most common alternative process identified was assigning responsibility to the Audit & Risk Committee, with 46 percent of the S&P/ASX 200 and 41 percent of the ASX 201-500, compared to 30 percent of ASX 501+ entities.
- By comparison, 41 percent of ASX 501+ entities assigned responsibility to the Board compared to 24 percent of ASX 201-500 and nine percent of S&P/ASX 200 entities. This higher reliance on the board in ASX 501+ entities is likely because these companies have not established a separate Audit & Risk Committee due to the relatively small size of the board.
- Entities that were considered not to have adopted the recommendation often confirmed that the entity did not have an internal audit function in place, but failed to provide information as to why an internal audit function was not considered necessary, or of any alternative arrangements in place.

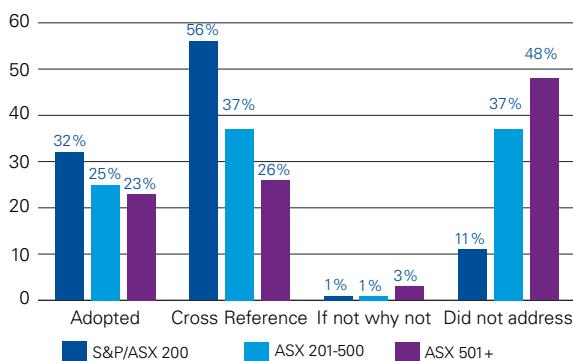
#### Examples of other processes and procedures reported by entities include:

- established internal controls plan to provide suitable levels of assurance to the board that internal controls are operating effectively and efficiently
- use of independent financial controllers to conduct peer reviews
- self-assessments using a standardised review checklist
- Forensic Data Analytics tools to conduct investigative reporting
- regular reviews of effectiveness and efficiency of Finance department reports and reconciliations
- regular audits of divisions using a scoring system, followed by feedback to the division and management on control and compliance matters relating to the division's operations
- internal control system based upon written procedures and policies that gives an appropriate division of responsibility and training of qualified service providers and personnel
- ongoing reporting and discussion of the management of material business risks, and
- third parties engaged to undertake internal audit.

### Recommendation 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.

#### Adoption of Recommendation 7.4

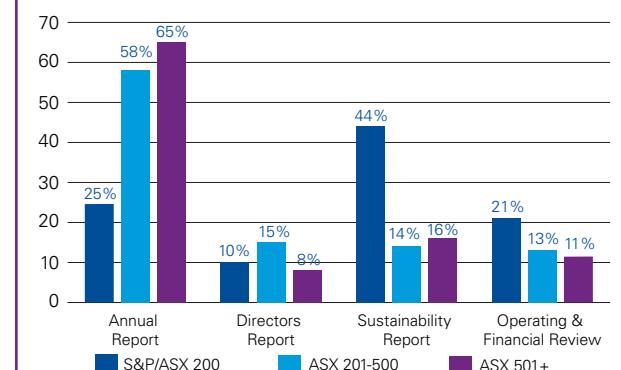


- The level and type of disclosure for Recommendation 7.4 varied significantly across all categories.
- There appears to be variation in what entities consider constitutes a ‘material’ risk, with some entities noting that risks were sufficiently managed such that they did not pose a material risk to the entity. However, across each industry, economic, environmental and/or social sustainability risks were identified by at least some entities in the group. This suggests other entities operating in that sector may also be exposed to these risk areas.
- The commentary to the recommendation that “to meet the recommendation does not require a listed entity to publish a sustainability report. However an entity that does publish a sustainability report may meet this recommendation simply by cross-referring to that report” Most entities in all categories elected to address the recommendation by referring to the annual report or sustainability report.
- Where an entity sought to adopt the recommendation by referring to another report, often the entity did not address all risk areas covered by the recommendation. In particular, where entities referred to the Operating and Financial Review, many only addressed certain economic risks and failed to address environmental and/or social sustainability risks.
- Many entities noted in the CGS that they did not consider they had any material exposure to economic, environmental and/or social sustainability risks. However the majority failed to outline how they arrived at this conclusion. There were also some instances where this position was inconsistent with information

disclosed elsewhere in the report. For example, some entities noted they did not have a material exposure to risk for the purpose of Recommendation 7.4, however they then referred to the Operating and Financial Review for further details of the material business risks facing the entity.

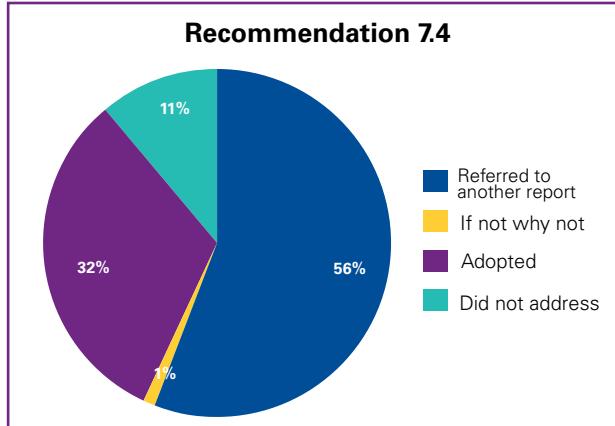
- Where an entity has up to date and detailed risk disclosures elsewhere, it should clearly identify in the CGS which risks the entity considers it has a material exposure to, and where stakeholders can find further information about these risks and how they are managed.
- The Australian Council of Superannuation Investors (ACSI) released updated ESG reporting guidance in March 2016 which entities may find useful in understanding how to effectively adopt the recommendation<sup>9</sup>.
- Of the three risk areas, economic risks were identified most frequently, followed by environmental and then social sustainability risks.
- Where an entity referred to another report, most S&P/ASX 200 entities referred to the sustainability report, while most ASX 201-500 and ASX 501+ entities referred to the annual report.

#### Report referred to



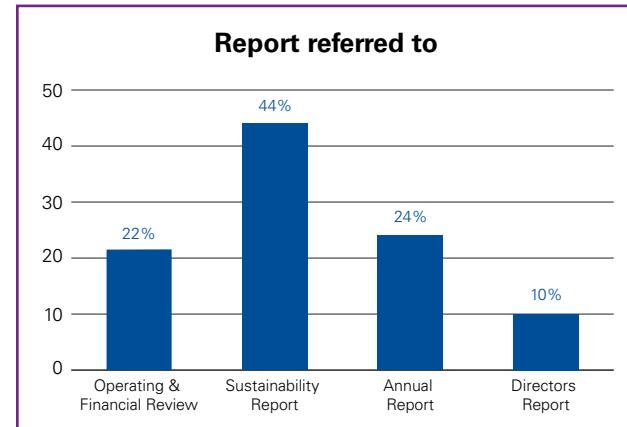
<sup>9</sup> ACSI ESG Reporting Guide, 2 March 2016: <http://www.acsi.org.au/acsi-guidelines23/acsi-governance-guidelines.html>

## S&P/ASX 200

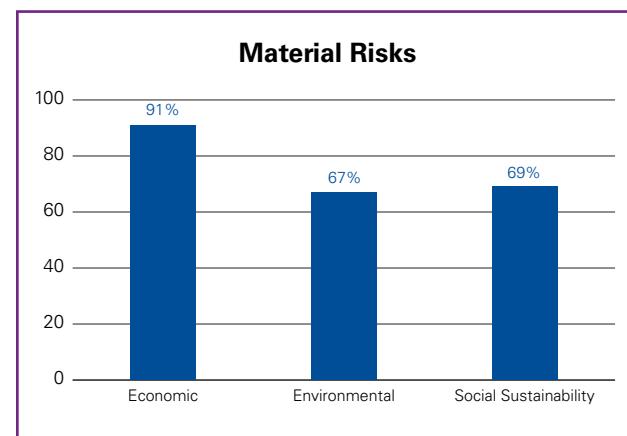


- Of the 32 percent of entities that adopted the recommendation:
  - Thirty percent addressed all three risk areas in the CGS and identified for each of the three risk areas whether the entity had a material exposure. For areas where an entity identified a material risk, it disclosed how that risk was managed, either in the CGS or by reference to a specific location; and
  - Two percent stated they did not have a material exposure to all three risk areas and outlined how they arrived at this conclusion.
- Of the entities that did not address the recommendation:
  - Seven percent stated they did not have a material exposure to any of the risk areas but did not outline the basis for this conclusion; and
  - Four percent did not address the recommendation at all.
- The majority of entities (56 percent) did not outline material risks in the CGS, but instead referred to another report. This is because many entities in this category already had economic, environmental and/or social sustainability risk reports prepared before the recommendation was implemented. However, even among the S&P/ASX 200 many entities did not address all three risk areas in the relevant reference location, often addressing only economic risks and making no reference to environmental or social sustainability risks.
- In our view, entities should clearly address each of the risk areas, either in the CGS or in a relevant reference location. For entities that cross-reference, disclosure could be improved by identifying in the CGS which risk areas they have a material exposure to and referring to a specific location for further information on how these risks are managed.

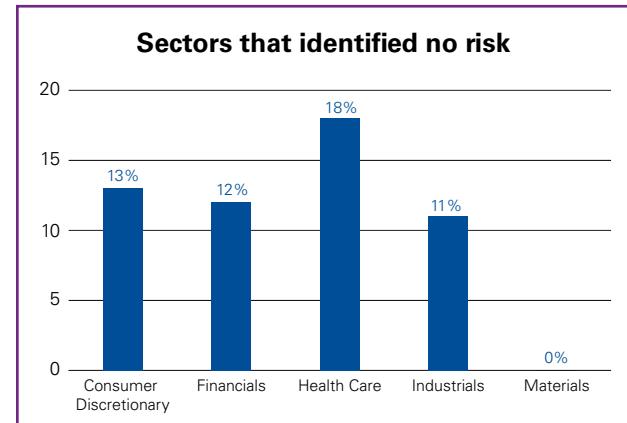
- Where an entity does not have a material exposure to one of the risk areas, we encourage entities to outline the basis for this conclusion in the CGS.



Where an entity identified a material risk exposure the most frequently identified risks were:

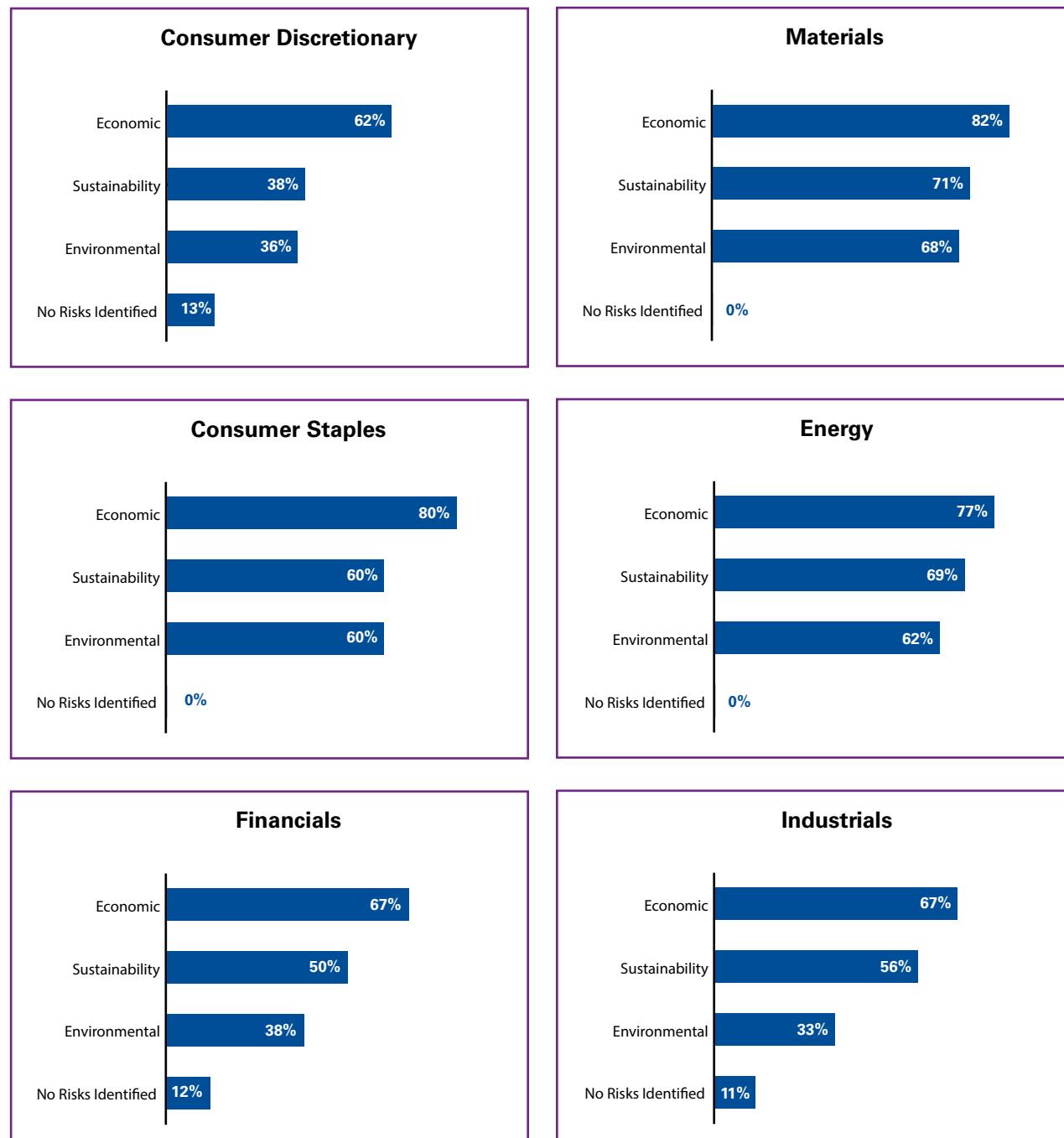


## Sector Analysis



- Entities in the energy and materials sectors were most likely to identify a material exposure to one of the risk areas, with all entities in these sectors stating they have an exposure to one of the risk areas.

- Entities in the health care and consumer discretionary sectors were more likely to identify that they did not have a material exposure to any risks.
- Expectedly, entities in the materials and energy sectors most frequently identified a material exposure to environmental and/or social sustainability risks.



## Example disclosures

### Worley Parsons

The Group has material exposures to economic and social sustainability risks and seeks to mitigate those exposures as set out on pages 43 and 44 of the Annual Report. The table below identifies which of those exposures is considered to be an economic and/or social sustainability risk. The Group does not have any material exposures to environmental sustainability risks.

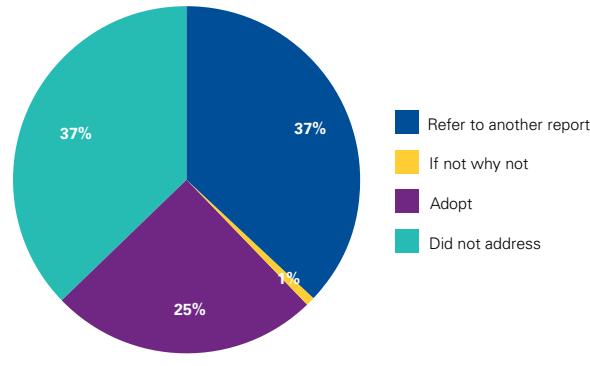
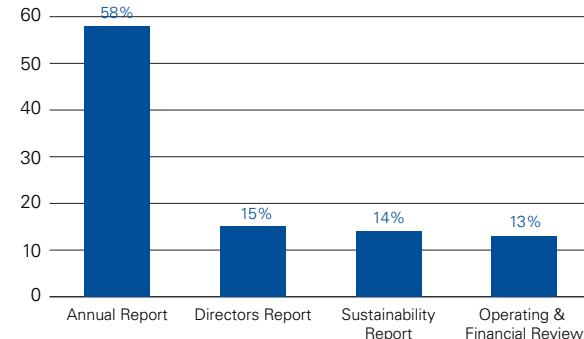
RISK TYPE	IDENTIFIED RISK
Economic sustainability risks	Reputation
	Health and safety
	Internal reporting
	Working capital and cash
	Legal and contractual
	Demand
	Strategy
	Project delivery
Environmental sustainability risks	Nil
Social sustainability risks	Reputation
	Health and safety
	Project delivery

### Orora

#### Economic, environmental and social sustainability risks

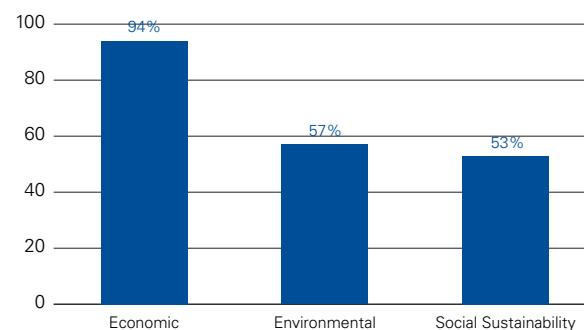
Orora has determined that it does not, at this time, have a material exposure to environmental or social sustainability risks. Information in respect of Orora's assessment of the principal economic risks that could have a material impact on the Company is set out on pages 30-31 of the 2015 Annual Report. Further information on the process Orora conducted to arrive at the determination that it does not have a material exposure to environmental and social sustainability risks is set out on pages 28-29 of the 2015 Annual Report.

Orora will continue to monitor any potential economic, environmental and social sustainability risks, and will continue to enhance response plans to address any such risks. Responses are likely to include operational and strategic risk-mitigation processes, development of performance measures to assess the effectiveness of responses, and reporting of progress using standard indicators of sustainability performance. Orora also intends to carry out a sustainability materiality assessment process on a periodic basis as part of the normal internal risk assessment cycle, and as required to monitor changes to existing risks and to identify and assess new risks that emerge.

**ASX 201-500****Recommendation 7.4****Report referred to**

- Of the 25 percent of entities that adopted the recommendation:
  - Twenty-one percent addressed all three risk areas in the CGS and identified for each of the three risk areas whether the entity had a material exposure. For areas where an entity identified a material risk, it disclosed how that risk was managed, either in the CGS or by reference to a specific location.
  - Four percent stated they did not have a material exposure to any of the risk areas and outlined how they arrived at this conclusion.
- Of the thirty-seven percent of entities that did not address the recommendation at all, or in our view did not provide adequate disclosure:
  - twenty-five percent stated they did not have a material exposure to any of the risk areas but did not outline the basis for this conclusion; and
  - the remaining 12 percent did not address the recommendation. In some instances entities noted in the Appendix 4G that further disclosure was available in the CGS, without providing further information.
- The majority of entities that referred to another report, referred to the annual report which often addressed economic risks only.

Where an entity identified a material risk exposure the most frequently identified risks were:

**Material Risks****Example disclosures****HFA Holdings Limited**

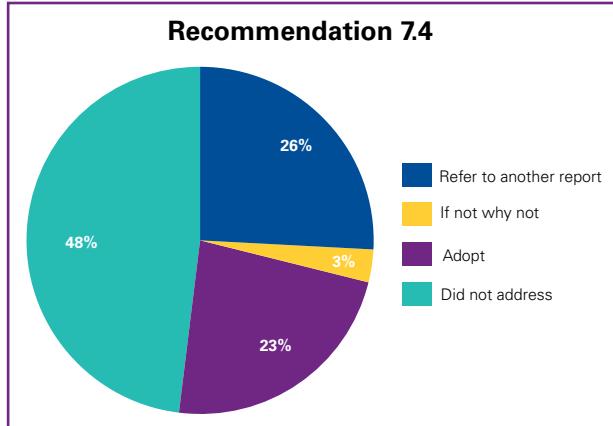
The CGS outlines the material risks in detail and provides a link within the report that takes you to the Risk Management Policy for further information.

*Risk Exposures*

The table below identifies material risk exposures, some of which fall in more than one category.

Risk Type	Identified Risk
Economic	Share price risk Product investment performance Dependency on key personnel Competition Regulatory risk Client concentration risk Operational risk Material litigation Share liquidity/price Accounting standards
Environmental	Nil
Social	Reputational risk Material litigation

The Company manages the above risks as per its Risk Management Policy.

**ASX 501+**

Twenty-three percent of entities that were considered to have adopted the recommendation did so in the CGS. These entities addressed all three risk areas in the CGS and identified for each of the three risk areas whether the entity had a material exposure. For areas where an entity identified a material risk, it disclosed how that risk was managed, either in the CGS or by reference to a specific location.

A significant proportion of entities in this category (48 percent) were considered not to have addressed Recommendation 7.4. Of these:

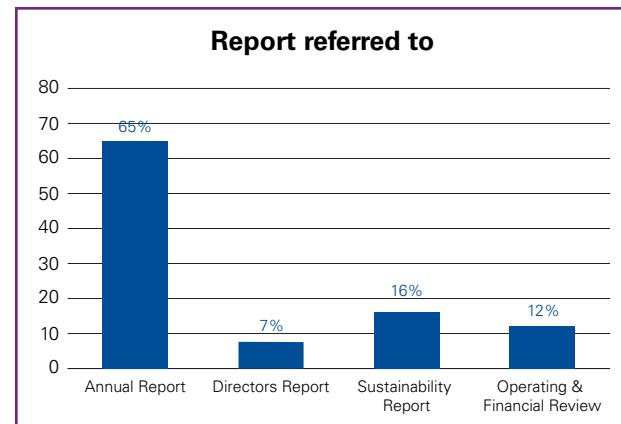
- Twenty-one percent stated they did not have a material exposure to any risk areas but did not outline the basis for this conclusion. It is to be expected that entities at this level may not have the resources available to prepare a sustainability report. However, disclosure could be improved by including a high level outline in the CGS of how the entity reached this conclusion.
- Twenty-four percent did not provide any or a sufficient level of disclosure in the CGS. In some instances entities did not address the recommendation at all in the CGS or relevant reference location.
- Three percent identified they had a material exposure to at least one of the areas, but failed to outline how this risk is managed either in the CGS or elsewhere.

Some examples of disclosures that were considered not to have addressed the recommendation include:

- Economic, environmental and social sustainability risks are identified and managed as part of the company's overall risk management process, as overseen by the board.
- The Board is regularly briefed and involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Company. Risk Management is a standing item at all Board Meetings.
- A review of key risks completed during the year has confirmed no material exposure exists to any economic, environmental and social sustainability risks.
- The Board does not believe the company has any material exposure to economic, environmental and social sustainability risks. This has been determined through consultation with management and a review of the risk register.

– Entities that were considered to have adopted an 'if not, why not' approach (3 percent) included entities that outlined:

- due to the present size and scale of operations, the entity has not addressed the economic, environmental and social sustainability risks facing the entity, other than as part of its continuous disclosure requirements on the ASX, and
- the board is currently reviewing the material risks facing the entity and will adopt the recommendation in 2016.





## 5

# Committee Structure

## **Recommendation 2.1**

The board of a listed entity should

(a) have a nomination committee which:

- (1) has at least three members, a majority of whom are independent directors; and
- (2) is chaired by an independent director,  
and disclose:
- (3) the charter of the committee;
- (4) the members of the committee; and
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

## **Recommendation 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 meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

**Recommendation 7.1**

The board of a listed entity

- (a) should have a committee or committees to oversee risk, which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

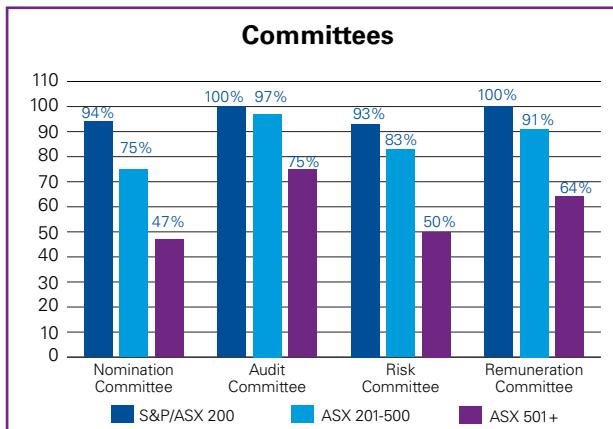
**Recommendation 8.1**

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.

## KPMG findings

- There was a high level of compliance with all four recommendations, with most entities either adopting the recommendations or providing a reason why not.



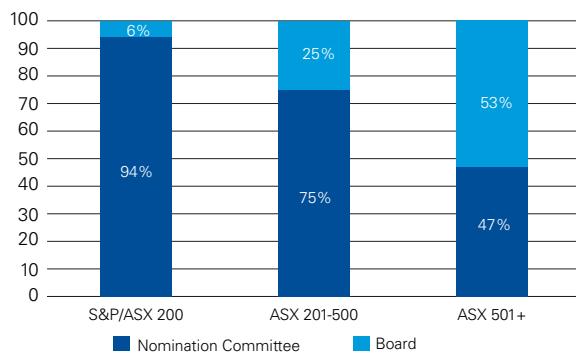
- There was a strong correlation between entity size and the establishment of a separate audit, risk, remuneration and/or nomination committee. Most of the S&P/ASX 200 established a committee to address each recommendation, while many of the ASX 201-500 and ASX 501+ entities assigned the relevant responsibilities to the board.
- The level and type of disclosure for entities that had established the relevant committee varied significantly, with few entities providing information in the CGS about the number of directors that sat on the committee, whether the chair was independent and/or the number of meetings held during the year as required in sub-points under these recommendations. Often this information was available in the annual report. Disclosure could be improved if entities confirmed in the CGS whether they complied with the sub-points and provided a specific reference location to note where this additional information may be found.
- The main areas for non-compliance with a sub-recommendation were:
  - not having an independent committee chair for entities in the S&P/ASX 200
  - not having an independent committee chair or not having the requisite number of members in the case of ASX 201-500 entities and
  - not having the requisite number of members for most of the entities in the ASX 501+.

### Recommendation 2.1 – Nomination Committee

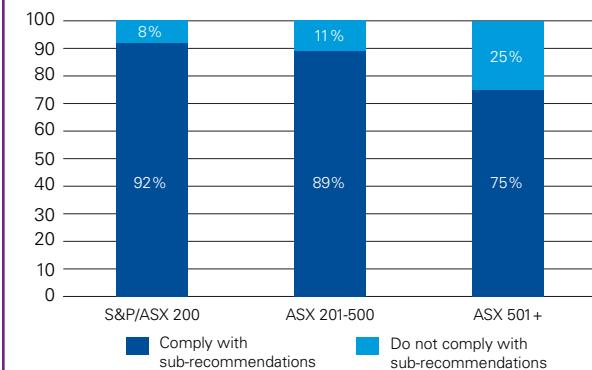
The board of a listed entity should:

- (a) have a nomination committee; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs that 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.

**Nomination Committee**



**Nomination Committee – 2.1 (a)**



\*For the purposes of this analysis, committees such as 'Remuneration & Nomination', 'People' and 'HR' were treated as equivalent to the Nomination Committee.

- All entities across all categories adopted Recommendation 2.1 and established a Nomination Committee or explained why not.
- There is a clear correlation between entity size and the establishment of a separate Nomination Committee.
- Entities that were considered to have 'if not, why not' adopted identified in the CGS that the board undertook the responsibilities normally assigned to a Nomination Committee.
- The average board size of the entities that did not establish a separate committee were:
  - S&P/ASX 200: six board members
  - ASX 201-500: five board members, and
  - ASX 501+: four board members.

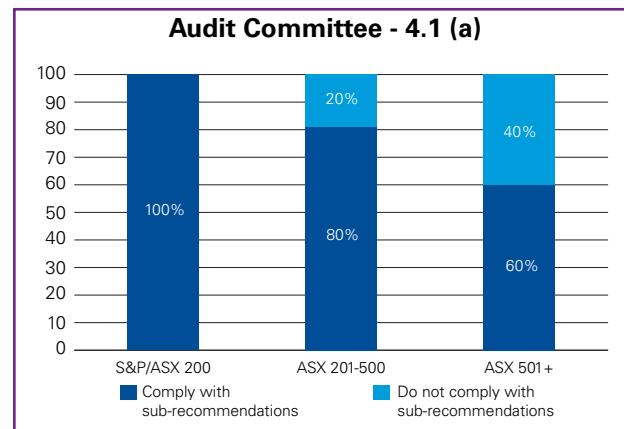
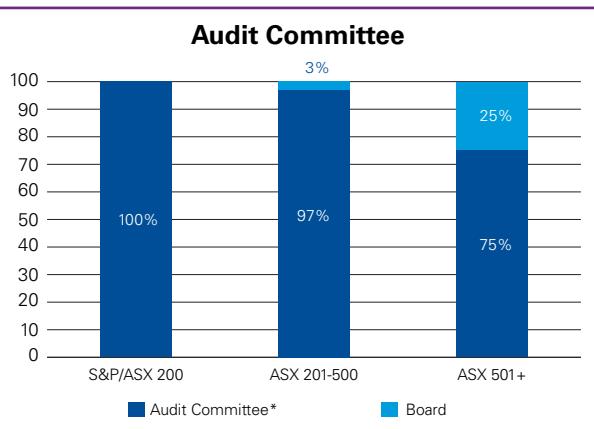
– Where the information was available to determine compliance with the sub-recommendations, the main areas for non-compliance with the sub-recommendations of Recommendation 2.1(a) were:

- S&P/ASX 200: not having an independent chair
- ASX 201-500: not having the requisite number of members (7 percent) or not having an independent chair (4 percent), and
- ASX 501+: not having an independent chair (18 percent) or not having the requisite number of members (7 percent).

### Recommendation 4.1 – Audit Committee

The board of a listed entity should:

- (a) have an audit committee.
- (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 or the appointment and removal of the external auditor and the rotation of the audit engagement partner.



\*For the purposes of this analysis, committees such as 'Audit & Risk', 'Audit' and 'Audit & Compliance' were treated as equivalent to the Audit Committee.

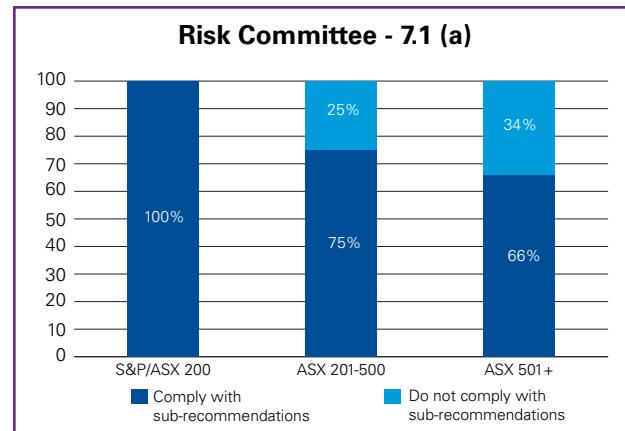
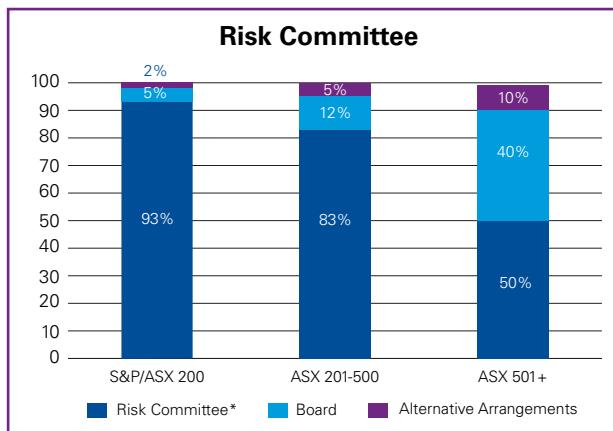
- Entities across all categories adopted Recommendation 4.1 and established an Audit Committee or explained why not.
- There is a clear correlation between entity size and the establishment of a separate Audit Committee, with all entities in the S&P/ASX 200 establishing an Audit Committee.
- Entities that were considered to have 'if not, why not' adopted identified in the CGS that the board undertook the responsibilities normally assigned to an Audit Committee.

- Where the information was available to determine compliance with the sub-recommendations, the main areas for non-compliance with the sub-recommendations of Recommendation 4.1(a) were:
  - ASX 201-500: majority of members not independent (12 percent), not having an independent chair (6 percent), or the requisite number of members (2 percent), and
  - ASX 501+: not having the requisite number of members (20 percent), not having an independent chair (10 percent), or a majority of directors are not independent (10 percent).

### Recommendation 7.1 – Risk Committee

The board of a listed entity should:

- (a) have a committee or committees to oversee risk; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.



\*For the purposes of this analysis committees such as the 'Audit & Risk', 'Audit, Risk & Compliance' and 'Risk & Governance' were treated as equivalent to the Risk Committee.

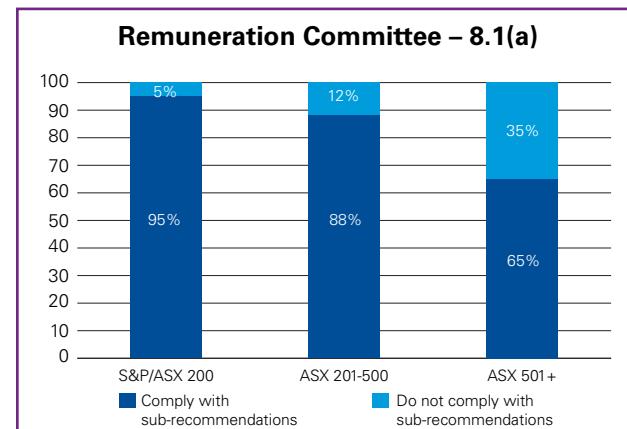
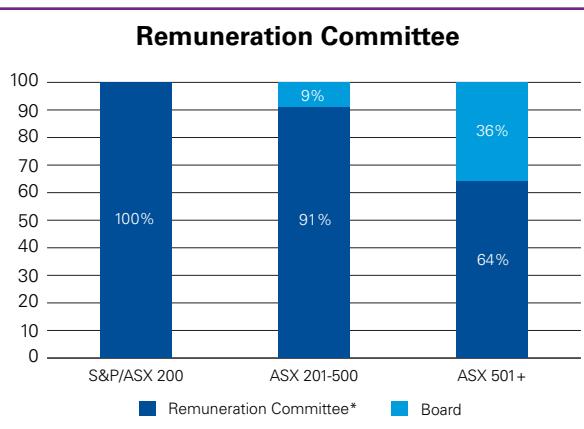
- Entities across all categories adopted Recommendation 7.1 or explained why not.
- Across all groups, the majority of entities established a committee that was responsible for both Recommendations 4.1 (Audit Committee) and 7.1 (Risk Committee).
- Where entities provided 'if not, why not' explanations for not having a Risk Committee it was usually because of the small size of the board. In most instances, ultimate responsibility for the risk management framework had been assigned to the board, or the board and Audit Committee (if established) had joint responsibility for managing risk.
- Some entities identified that alternative arrangements were implemented to manage risk, rather than establishing a Risk Committee or assigning responsibility to the board. Examples of these arrangements included:
  - "Management is ultimately responsible to the board for the entities system of internal control and risk management. The Audit Committee assists the board in monitoring this function."
  - "The Board and Audit Committee are primarily responsible for ensuring that risks are identified on a timely basis and receive an appropriate and measured response."

- Where the information was available to determine compliance with the sub-recommendations, the main areas for non-compliance with the sub-recommendations of Recommendation 7.1(a) were:
  - ASX 201-500: not having an independent chair (5 percent), a majority of directors not independent (17 percent), or the requisite number of members (3 percent), and
  - ASX 501+: not having an independent chair (9 percent), not having the requisite number of members (17 percent), or not having a majority of independent directors (8 percent).

### Recommendation 8.1 – Remuneration Committee

The board of a listed entity should:

- (a) have a remuneration committee; 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 remuneration is appropriate and not excessive.



- \*For the purposes of this analysis, committees such as 'Remuneration & Nomination', 'People' and 'HR' were treated as equivalent to the Remuneration Committee.
- There was a high level of compliance with Recommendation 8.1 across all categories.
- Where entities provided 'if not, why not' explanations for not having a Remuneration Committee it was usually because of the small size of the board.

- Where the information was available to determine compliance with the sub-recommendations, the main areas for non-compliance with the sub-recommendations of Recommendation 8.1(a) were:
  - S&P/ASX 200: not having an independent chair
  - ASX 201-500: not having an independent chair (5 percent), or the requisite number of members (7%), and
  - ASX 501+: not having the requisite number of members (18 percent), not having an independent chair (13 percent) or a combination of both (4 percent).

## Example disclosures:

### NAB

## Corporate governance

### Board Committee membership at 30 September 2015

	<b>Audit Committee</b>	<b>Risk Committee</b>	<b>Remuneration Committee</b>	<b>Nomination Committee</b>	<b>Information Technology Committee</b>
Members	Mr David Armstrong (Chairman since December 2014) Mr Paul Rizzo Mr Anthony Yuen	Dr Ken Henry (Chairman since February 2015) Mr Paul Rizzo Mr Peeyush Gupta Ms Jillian Segal Mr Anthony Yuen	Mr Danny Gilbert (Chairman) Mr Peeyush Gupta Dr Ken Henry Ms Jillian Segal	Mr Michael Chaney (Chairman) Mr David Armstrong Mr Danny Gilbert Mr Peeyush Gupta Dr Ken Henry Ms Geraldine McBride Mr Paul Rizzo Ms Jillian Segal Mr Anthony Yuen	Mr Danny Gilbert (Chairman) Mr David Armstrong Ms Geraldine McBride Mr Paul Rizzo Ms Jillian Segal Mr Andrew Thorburn
Composition	Minimum three  All members are independent non-executive directors  One member must also be a member of the Risk Committee	Minimum three  All members are independent non-executive directors  One member must also be a member of the Audit Committee	Minimum three  All members are independent non-executive directors	Minimum three  All members are independent non-executive directors	As determined from time to time by the Board

### Key Responsibilities:

#### Audit Committee

- Integrity of the accounting and financial statements, and the financial and statutory reporting processes of the Group.
- Group's external audit.
- Group's Internal Audit.
- Compliance with applicable accounting standards to give a true and fair view of the financial position and performance of the Group.
- Oversight of management in the preparation of the Group's financial statements and financial disclosures.
- Oversight of the work of the external auditor.
- Setting, approval and regulation of the annual fee limit for each type of audit or non-audit service to be provided by the external auditor.

#### Risk Committee

- Oversight of the risk profile of the Group within the context of the Board approved risk appetite.
- Making recommendations to the Board concerning the Group's current and future risk appetite and particular risks or risk management practices.
- Review of management's plans for mitigation of material risks faced by the Group.
- Oversight of the implementation and operation of the risk management framework and internal compliance and control systems throughout the Group.
- Oversight of stress testing of the Group risk portfolio including both scenario analysis and sensitivity analysis.
- Promoting awareness of a risk-based culture throughout the Group and the establishment by management of a balance between risk and reward for risks accepted.

#### Remuneration Committee

- Oversight of the Group's general performance and reward strategy.
- Review and make recommendations to the Board concerning:
  - Remuneration policy and Total Reward packages for the Group Chief Executive Officer, direct reports and other persons whose activities may affect the financial soundness of NAB or its subsidiaries.
  - Remuneration arrangements for non-executive directors (as detailed in the *Remuneration report*.)
  - Arrangements for recruiting, retaining and terminating senior executives.
- Support the Board with monitoring the application of the principles and framework required for measuring the compliance, culture and behavioural requirements of the Group.

#### Nomination Committee

- Board performance and the methodology for Board performance reviews.
- Board and Committee membership and composition.
- Succession planning for the Board and senior management.

#### Information Technology Committee

- Monitoring significant technology projects.



# Shareholder Communication

## **Recommendation 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.

## **Recommendation 6.1**

A listed entity should provide information about itself and its governance to investors via its website

## **Recommendation 6.2**

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

## **Recommendation 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.

### **KPMG findings**

- There was a high level of compliance across all categories with each of the above recommendations.
- It is evident that entities are embracing digital means of communication and in particular, ensuring that corporate governance information is readily available and accessible on the entity's website.

## **Recommendation 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.

	<b>Adopted</b>	<b>If not, why not</b>	<b>Did not adopt</b>
<b>S&amp;P/ASX 200</b>	100%	-	-
<b>ASX 201 – 500</b>	98%	2%	-
<b>ASX 501+</b>	98%	1%	1%

- Nearly all entities, across all categories, adopted Recommendation 4.3.
- There was good disclosure amongst entities established overseas, with the CGS specifically noting that management had made arrangements for shareholders to ask questions of the auditors in advance of the AGM. These entities are considered to have adopted an 'if not, why not' approach to the recommendation.

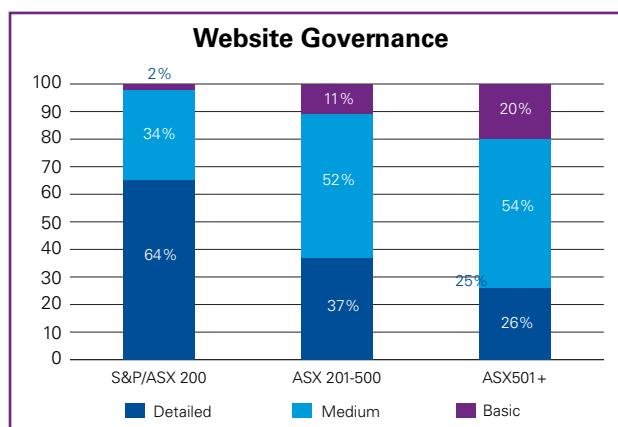
### Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website

This includes, but is not limited to, information on each director, board and committee charters, corporate governance policies, annual reports, ASX announcements, etc.

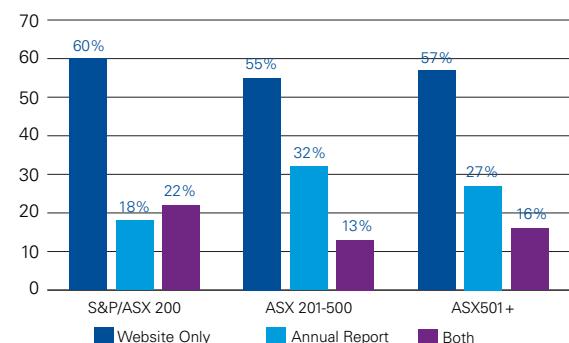
	Adopted	Did not adopt
<b>S&amp;P/ASX 200</b>	100%	-
<b>ASX 201 – 500</b>	95%	5%
<b>ASX 501+</b>	96%	4%

- The majority of entities across all categories adopted Recommendation 6.1.
- As expected, adoption of the recommendation in the S&P/ASX 200 was particularly good, with 100 percent of entities making a dedicated corporate governance section available on their website.



- There was a strong correlation between entity size and quality of corporate governance disclosures on the entities website. In the S&P/ASX 200, 64 percent of entities provide detailed governance disclosures on the website. This dropped to 37 percent and 26 percent respectively for the ASX 201-500 and ASX 501+ categories.
- At the other end of the spectrum only 2 percent of S&P/ASX 200 entities provided basic corporate governance disclosures on their website, increasing to 11 percent and 20 percent respectively for the ASX 201- 500 and ASX 501+ categories.
- The ease with which corporate governance information can be found and the detailed disclosures that are available across all categories is encouraging and demonstrates entities are seeking to provide greater transparency on matters relating to corporate governance.
- The majority of entities across all categories streamlined their annual reports by including corporate governance disclosures on their website, rather than in the annual report

### Corporate Governance Statement Disclosures



- In the course of our review we observed that many entities did not make their Appendix 4G available in the corporate governance section of their website. We encourage entities to clearly identify their Appendix 4G and corporate governance statements in this section of their website.
- Where a corporate governance landing page was available, it was readily accessible – taking less than three clicks from the home page in almost all instances.
- There appears to be a correlation between sector and the ease with which the corporate governance section of the website can be found. Sectors that traditionally have a low volume of online customer traffic (e.g. industrials, energy and materials) generally made their corporate governance section most easily accessible compared to those with a high volume of online customers (e.g. consumer discretionary).
- Entities in the industrials, energy and materials sectors required the fewest clicks to reach the corporate governance section of the website. In addition to having relatively fewer online purchases, these entities have traditionally faced significant public and investor scrutiny regarding their governance practices. It is pleasing to see that the majority of entities in these sectors have taken this feedback on board and ensured that their governance disclosures are readily available.

## Corporate governance website disclosures

	1 Click	2 Click	3 Click	Not Available
<b>Consumer Discretionary</b>	35%	48%	15%	2%
<b>Consumer Staples</b>	38%	46%	16%	0%
<b>Energy</b>	71%	22%	7%	0%
<b>Financials</b>	37%	38%	21%	4%
<b>Health Care</b>	40%	48%	8%	4%
<b>Industrials</b>	56%	32%	10%	2%
<b>Information Technology</b>	30%	54%	16%	0%
<b>Materials</b>	59%	28%	7%	6%
<b>Utilities</b>	46%	38%	8%	8%
<b>Telecommunication Services</b>	38%	25%	37%	0%

### Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

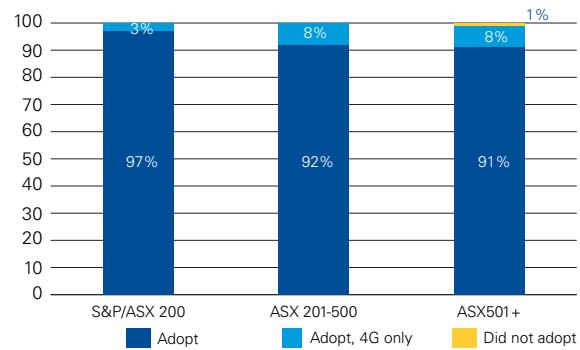
	Adopted	If not, why not	Did not adopt
<b>S&amp;P/ASX 200</b>	99%	1%	-
<b>ASX 201 – 500</b>	90%	9%	1%
<b>ASX 501+</b>	90%	8%	2%

- The majority of entities across all categories adopted Recommendation 6.2 and established an investor relations program or provided an explanation for why not.
- For the purpose of this review, entities who referred to a shareholder communications policy were considered to have met the spirit of the recommendation and are included in the adopted responses.
- Entities that were considered to have adopted an ‘if not, why not’ approach to the recommendation included entities who acknowledged they did not have an investor relation program in place but outlined the methods used to communicate with shareholders.
- Where an entity did not have a formal investor relations program, some of the alternative methods identified to effectively communicate with shareholders included:
  - increasing and improving the information available to shareholders on its website
  - posting all entity announcements, presentations to analysts and other significant briefings on the entity’s website after release to the ASX.

### Recommendation 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.

### Electronic Communication



- The majority of entities across all categories adopted Recommendation 6.4.
- A number of entities relied on the Appendix 4G to note they had adopted the recommendation and did not provide any further information in the CGS.

# Other Governance Matters

## **Recommendation 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.

## **Recommendation 1.3**

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

## **Recommendation 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.

### **KPMG findings**

- There was a high level of adoption of all three recommendations across all three categories.
- Many entities, particularly those outside of the S&P/ASX 200, used the Appendix 4G to note they had adopted the recommendations but provided no further information in the CGS or elsewhere. For the purposes of this review, these entities were considered to have adopted the recommendations.

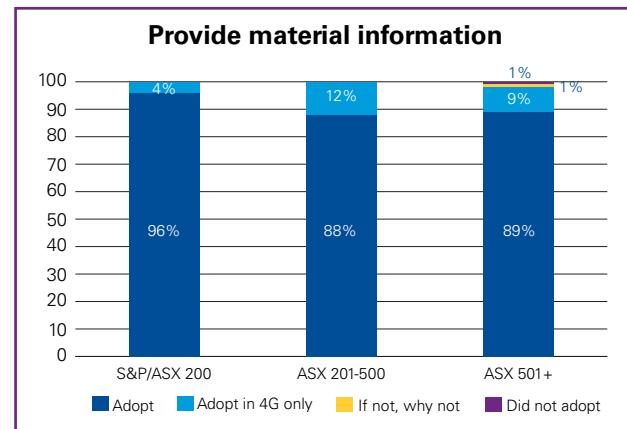
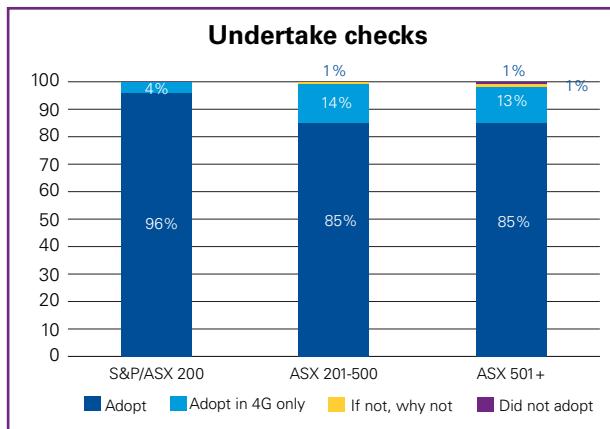
### **KPMG observations**

- There appears to be significant confusion about the role of the Appendix 4G and many entities assumed that it was sufficient to note they had adopted a recommendation in their Appendix 4G.
- According to Guidance Note 9 Disclosure of corporate governance practices, Appendix 4G serves two purposes. First and foremost, it acts as a key, pointing readers to where the entity's corporate governance disclosures for each recommendation may be found. Secondly it acts as a checklist to confirm that the entity has dealt with all their disclosure requirements under the ASX Listing Rules. It is not however a substitute for disclosures normally made in a CGS. It would therefore be helpful for the ASX to clarify the role of the Appendix 4G.

**Recommendation 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.

**KPMG findings**

- There was a high level of adoption of Recommendation 1.2 across all categories.
- However, many entities outside the S&P/ASX 200 relied on the Appendix 4G to note their adoption of the recommendation and did not provide further information in the CGS or elsewhere.

**KPMG observations**

- Entities should be encouraged to provide further information on the background checks undertaken, or deemed appropriate in the CGS.
- It would also be helpful if the ASX were to amend Appendix 4G to allow entities to address Recommendation 1.2 (a) and 1.2(b) separately as the information for each may be in different locations.
- In providing information to shareholders, nearly all entities outlined in the Notice of Meeting the skills and experience of the directors up for re-election and 76 percent provided details of other directorships held by the individual. However, only 54 percent disclosed whether the board considered the director to be independent. While director independence may be disclosed elsewhere, entities should ensure that they provide complete information to shareholders in the Notice of Meeting.
- Where the company has also prepared a board skills matrix, consideration should be given to outlining the relevant skills held by the director being elected in the Notice of Meeting, in addition to their relevant experience and qualifications.

## Example disclosures:

### Tabcorp

As part of the process in recruiting and evaluating suitable candidates for appointment as a Director, an external independent executive recruitment firm is retained. Furthermore, enquiries, reference checks, checks of bankruptcy and criminal records, and validation of educational records are carried out to satisfy the Board that the person is of sound character and has the relevant attributes desired by the Board to be a Director of Tabcorp. Prospective new Directors are also required to submit extensive personal information as part of probity investigations and clearances required by applicable gambling regulators and certain government ministers prior to appointment as a Director. Such information includes in relation to any convictions, bankruptcies, business activities, employment, education, qualifications, sources of income, taxes paid and financial position.

### Medibank

Before appointing a person as a director, the Board would first undertake checks as to that person's character, experience and background, including criminal and bankruptcy checks. Although not a binding requirement for Medibank or the health insurance industry, Medibank has adopted a 'Fit and Proper Policy for Responsible Persons' based on APRA's Fit and Proper Prudential Standard. This standard requires that a person in a position of responsibility, including a director, be assessed prior to appointment as to whether the person meets the fit and proper requirements. The person must have the appropriate skills, experience and knowledge to perform the role and act with the requisite character, diligence, honesty, integrity and judgement.

### Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

	Adopted	Adopted in 4G only	If not, why not	Did not adopt
<b>S&amp;P/ASX 200</b>	96%	3%	1%	-
<b>ASX 201 – 500</b>	89%	7%	3%	1%
<b>ASX 501+</b>	89%	6%	3%	2%

### KPMG findings

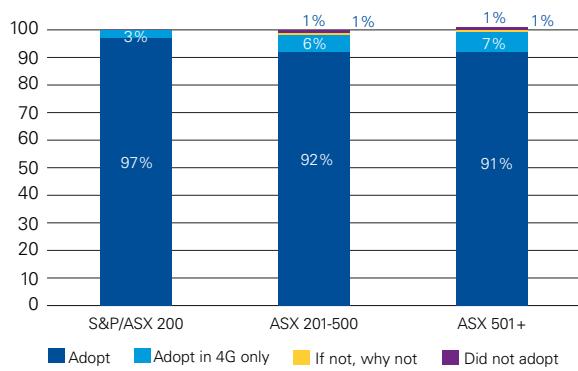
- There was a high level of adoption across all categories for Recommendation 1.3.
- As with the other recommendations mentioned above there was some reliance across all categories on the Appendix 4G to note adoption.
- There was evidence of a correlation between entity size and adoption of the recommendation. three percent of entities in both the ASX 201-500 and ASX 501+ categories confirmed they did not have written agreements with directors and provided an explanation for why not.
- The main reason given by entities that adopted an 'if not, why not' approach was that arrangements with directors were governed by the board charter, or similar document, and as such formal agreements were not deemed necessary.

### KPMG observations

- It is important that directors are provided with written agreements outlining the contractual terms of their engagement, their remuneration arrangements and the entities' expectations of each director. Entities should be encouraged to ensure that they have written agreements in place for each individual director and senior executive.

**Recommendation 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.

**Company Secretary****KPMG findings**

- Three percent of the S&P/ASX 200, 6 percent of the ASX 201-500 and 7 percent of the ASX 501+ have been treated as having adopted the recommendation based on their Appendix 4G only as they did not provide any further information in the CGS.

**KPMG observations**

- Entities that adopt a recommendation should provide further details in the CGS.

## 8

## Appendix

## S&amp;P/ASX 200

ASX Entity Name Code	GICS Sector	Market Capitalisation as at 30 September 2015 (\$million)	Market Capitalisation groups as at 30 September 2015	Year End
ABP ABACUS PROPERTY GROUP	Financials	1,756	ASX 101-200	30-Jun
ABC ADELAIDE BRIGHTON LIMITED	Materials	2,823	ASX 51-100	31-Dec
AGL AGL ENERGY LIMITED	Utilities	10,775	ASX 21-50	30-Jun
ALQ ALS LIMITED	Industrials	1,873	ASX 101-200	31-Mar
ALU ALTIUM LIMITED	Information Technology	600	ASX 101-200	30-Jun
AWC ALUMINA LIMITED	Materials	3,240	ASX 51-100	31-Dec
AMC AMCOR LIMITED	Materials	15,515	ASX 20	30-Jun
AMP AMP LIMITED	Financials	16,445	ASX 20	31-Dec
ANN ANSELL LIMITED	Health Care	2,883	ASX 51-100	30-Jun
APA APA GROUP	Utilities	9,527	ASX 21-50	30-Jun
APN APN NEWS AND MEDIA LIMITED	Consumer Discretionary	504	ASX 101-200	31-Dec
ARB ARB CORPORATION LIMITED	Consumer Discretionary	1,084	ASX 101-200	30-Jun
AAD ARDENT LEISURE GROUP	Consumer Discretionary	1,206	ASX 101-200	30-Jun
ALL ARISTOCRAT LEISURE LIMITED	Consumer Discretionary	5,486	ASX 51-100	30-Sep
ARI ARRIUM LIMITED	Materials	256	ASX 101-200	30-Jun
AHY ASALEO CARE LIMITED	Consumer Staples	1,077	ASX 101-200	31-Dec
AIO ASCIANO LIMITED	Industrials	8,193	ASX 21-50	30-Jun
ASX ASX LIMITED	Financials	7,333	ASX 21-50	30-Jun
AZJ AURIZON HOLDINGS LIMITED	Industrials	10,560	ASX 21-50	30-Jun
AST AUSNET SERVICES	Utilities	4,789	ASX 51-100	31-Mar
ASB AUSTAL LIMITED	Industrials	782	ASX 101-200	30-Jun
ANZ AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	Financials	78,606	ASX 20	30-Sep
AHG AUTOMOTIVE HOLDINGS GROUP LIMITED	Consumer Discretionary	1,210	ASX 101-200	30-Jun
AOG AVEO GROUP	Financials	1,381	ASX 101-200	30-Jun
AWE AWE LIMITED	Energy	327	ASX 101-200	30-Jun
BOQ BANK OF QUEENSLAND LIMITED	Financials	4,305	ASX 51-100	31-Aug
BPT BEACH ENERGY LIMITED	Energy	593	ASX 101-200	30-Jun
BGA BEGA CHEESE LIMITED	Consumer Staples	722	ASX 101-200	30-Jun
BEN BENDIGO AND ADELAIDE BANK LIMITED	Financials	4,500	ASX 51-100	30-Jun
BHP BHP BILLITON LIMITED	Materials	71,364	ASX 20	30-Jun
BKL BLACKMORES LIMITED	Consumer Staples	2,514	ASX 51-100	30-Jun
BSL BLUESCOPE STEEL LIMITED	Materials	2,057	ASX 51-100	30-Jun
BLD BORAL LIMITED	Materials	3,919	ASX 51-100	30-Jun

BXB	BRAMBLES LIMITED	Industrials	15,276	ASX 20	30-Jun
BRG	BREVILLE GROUP LIMITED	Consumer Discretionary	768	ASX 101-200	30-Jun
BRS	BROADSPECTRUM LIMITED	Industrials	541	ASX 101-200	30-Jun
BTT	BT INVESTMENT MANAGEMENT LIMITED	Financials	2,797	ASX 51-100	30-Sep
BAP	BURSON GROUP LIMITED	Consumer Discretionary	895	ASX 101-200	30-Jun
CAB	CABCHARGE AUSTRALIA LIMITED	Industrials	360	ASX 101-200	30-Jun
CTX	CALTEX AUSTRALIA LIMITED	Energy	8,446	ASX 21-50	31-Dec
CDD	CARDNO LIMITED	Industrials	475	ASX 101-200	30-Jun
CAR	CARSALES.COM LIMITED	Information Technology	2,348	ASX 51-100	30-Jun
CGF	CHALLENGER LIMITED	Financials	4,068	ASX 51-100	30-Jun
CHC	CHARTER HALL GROUP	Financials	1,780	ASX 101-200	30-Jun
CQR	CHARTER HALL RETAIL REIT	Financials	1,592	ASX 101-200	30-Jun
CIM	CIMIC GROUP LIMITED	Industrials	7,955	ASX 21-50	31-Dec
CCL	COCA-COLA AMATIL LIMITED	Consumer Staples	6,880	ASX 21-50	31-Dec
COH	COCHLEAR LIMITED	Health Care	4,772	ASX 51-100	30-Jun
CBA	COMMONWEALTH BANK OF AUSTRALIA	Financials	123,533	ASX 20	30-Jun
CPU	COMPUTERSHARE LIMITED	Information Technology	5,890	ASX 51-100	30-Jun
CTD	CORPORATE TRAVEL MANAGEMENT LIMITED	Consumer Discretionary	937	ASX 101-200	30-Jun
CVO	COVER-MORE GROUP LIMITED	Financials	709	ASX 101-200	30-Jun
CCP	CREDIT CORP GROUP LIMITED	Industrials	473	ASX 101-200	30-Jun
CMW	CROMWELL PROPERTY GROUP	Financials	1,675	ASX 101-200	30-Jun
CWN	CROWN RESORTS LIMITED	Consumer Discretionary	7,211	ASX 21-50	30-Jun
CSL	CSL LIMITED	Health Care	41,472	ASX 20	30-Jun
DXS	DEXUS PROPERTY GROUP	Financials	6,941	ASX 21-50	30-Jun
DMP	DOMINO'S PIZZA ENTERPRISES LIMITED	Consumer Discretionary	3,501	ASX 51-100	28-Jun
DOW	DOWNER EDI LIMITED	Industrials	1,445	ASX 101-200	30-Jun
DLS	DRILLSEARCH ENERGY LIMITED	Energy	224	ASX 101-200	30-Jun
DUE	DUET GROUP	Utilities	5,014	ASX 51-100	30-Jun
DLX	DULUXGROUP LIMITED	Materials	2,082	ASX 51-100	30-Sep
EHE	ESTIA HEALTH LIMITED	Health Care	1,228	ASX 101-200	30-Jun
EVN	EVOLUTION MINING LIMITED	Materials	1,808	ASX 101-200	30-Jun
FXJ	FAIRFAX MEDIA LIMITED	Consumer Discretionary	2,142	ASX 51-100	28-Jun
FPH	FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED	Health Care	3,649	ASX 51-100	31-Mar
FBU	FLETCHER BUILDING LIMITED	Materials	4,284	ASX 51-100	30-Jun
FXL	FLEXIGROUP LIMITED	Financials	715	ASX 101-200	30-Jun
FLT	FLIGHT CENTRE TRAVEL GROUP LIMITED	Consumer Discretionary	3,640	ASX 51-100	30-Jun
FMG	FORTESCUE METALS GROUP LTD	Materials	5,667	ASX 51-100	30-Jun
GEM	G8 EDUCATION LIMITED	Consumer Discretionary	1,074	ASX 101-200	31-Dec
GTY	GATEWAY LIFESTYLE GROUP	Financials	638	ASX 101-200	30-Jun
GMA	GENWORTH MORTGAGE INSURANCE AUSTRALIA LIMITED	Financials	1,495	ASX 101-200	31-Dec
GMG	GOODMAN GROUP	Financials	10,355	ASX 21-50	30-Jun
GPT	GPT GROUP	Financials	8,095	ASX 21-50	31-Dec

GNC	GRAINCORP LIMITED	Consumer Staples	2,071	ASX 51-100	30-Sep
GXL	GREENCROSS LIMITED	Health Care	743	ASX 101-200	30-Jun
GOZ	GROWTHPOINT PROPERTIES AUSTRALIA	Financials	1,775	ASX 101-200	30-Jun
GUD	GUD HOLDINGS LIMITED	Consumer Discretionary	735	ASX 101-200	30-Jun
GWA	GWA GROUP LIMITED	Industrials	692	ASX 101-200	30-Jun
HVN	HARVEY NORMAN HOLDINGS LTD	Consumer Discretionary	4,312	ASX 51-100	30-Jun
HSO	HEALTHSCOPE LIMITED	Health Care	4,417	ASX 51-100	30-Jun
HGG	HENDERSON GROUP PLC	Financials	3,556	ASX 51-100	31-Dec
ILU	ILUKA RESOURCES LIMITED	Materials	2,600	ASX 51-100	31-Dec
IPL	INCITEC PIVOT LIMITED	Materials	6,574	ASX 21-50	30-Sep
IGO	INDEPENDENCE GROUP NL	Materials	1,294	ASX 101-200	30-Jun
IAG	INSURANCE AUSTRALIA GROUP LIMITED	Financials	11,768	ASX 21-50	30-Jun
IVC	INVOCARE LIMITED	Consumer Discretionary	1,194	ASX 101-200	31-Dec
IFL	IOOF HOLDINGS	Financials	2,566	ASX 51-100	30-Jun
IRE	IRESS LIMITED	Information Technology	1,532	ASX 101-200	31-Dec
JHC	JAPARA HEALTHCARE LIMITED	Health Care	739	ASX 101-200	30-Jun
JBH	JB HI-FI LIMITED	Consumer Discretionary	1,888	ASX 101-200	30-Jun
KAR	KAROON GAS AUSTRALIA LTD	Energy	407	ASX 101-200	30-Jun
LLC	LEND LEASE GROUP	Financials	7,294	ASX 21-50	30-Jun
LNG	LIQUEFIED NATURAL GAS LIMITED	Energy	642	ASX 101-200	30-Jun
MTU	M2 GROUP LTD	Telecommunication Services	1,740	ASX 101-200	30-Jun
MQA	MACQUARIE ATLAS ROADS GROUP	Industrials	2,013	ASX 51-100	31-Dec
MFG	MAGELLAN FINANCIAL GROUP LIMITED	Financials	3,051	ASX 51-100	30-Jun
MTR	MANTRA GROUP LIMITED	Consumer Discretionary	1,070	ASX 101-200	30-Jun
MYX	MAYNE PHARMA GROUP LIMITED	Health Care	823	ASX 101-200	30-Jun
MMS	MCMILLAN SHAKESPEARE LIMITED	Industrials	1,024	ASX 101-200	30-Jun
MPL	MEDIBANK PRIVATE LIMITED	Financials	6,665	ASX 21-50	30-Jun
MSB	MESOBLAST LIMITED	Health Care	1,066	ASX 101-200	30-Jun
MIN	MINERAL RESOURCES LIMITED	Industrials	773	ASX 101-200	30-Jun
MGR	MIRVAC GROUP	Financials	6,366	ASX 21-50	30-Jun
MND	MONADELPHOUS GROUP LIMITED	Industrials	572	ASX 101-200	30-Jun
MYR	MYER HOLDINGS LIMITED	Consumer Discretionary	723	ASX 101-200	25-Jul
MYO	MYOB	Information Technology	1,981	ASX 101-200	31-Dec
NAB	NATIONAL AUSTRALIA BANK LIMITED	Financials	78,720	ASX 20	30-Sep
NSR	NATIONAL STORAGE REIT	Financials	510	ASX 101-200	30-Jun
NVT	NAVITAS LIMITED	Consumer Discretionary	1,496	ASX 101-200	30-Jun
NCM	NEWCREST MINING LIMITED	Materials	9,735	ASX 21-50	30-Jun
NWS	NEWS CORPORATION	Consumer Discretionary	852	ASX 101-200	30-Jun
NEC	NINE ENTERTAINMENT CO. HOLDINGS LIMITED	Consumer Discretionary	1,396	ASX 101-200	30-Jun
NST	NORTHERN STAR RESOURCES LTD	Materials	1,602	ASX 101-200	30-Jun
NUF	NUFARM LIMITED	Materials	2,158	ASX 51-100	31-Jul
OSH	OIL SEARCH LIMITED	Energy	10,918	ASX 21-50	31-Dec
ORI	ORICA LIMITED	Materials	5,567	ASX 51-100	30-Sep

ORG	ORIGIN ENERGY LIMITED	Energy	6,789	ASX 21-50	30-Jun
ORA	ORORA LIMITED	Materials	2,787	ASX 51-100	30-Jun
OZL	OZ MINERALS LIMITED	Materials	1,004	ASX 101-200	31-Dec
OFX	OZFOREX GROUP LIMITED	Financials	641	ASX 101-200	31-Mar
PBG	PACIFIC BRANDS LIMITED	Consumer Discretionary	651	ASX 101-200	30-Jun
PGH	PACT GROUP HOLDINGS LTD	Materials	1,396	ASX 101-200	30-Jun
PDN	PALADIN ENERGY LTD	Energy	291	ASX 101-200	30-Jun
PPT	PERPETUAL LIMITED	Financials	1,846	ASX 101-200	30-Jun
PTM	PLATINUM ASSET MANAGEMENT LIMITED	Financials	3,972	ASX 51-100	30-Jun
PMV	PREMIER INVESTMENTS LIMITED	Consumer Discretionary	2,009	ASX 51-100	25-Jul
PRY	PRIMARY HEALTH CARE LIMITED	Health Care	1,976	ASX 101-200	30-Jun
QAN	QANTAS AIRWAYS LIMITED	Industrials	8,170	ASX 21-50	30-Jun
QBE	QBE INSURANCE GROUP LIMITED	Financials	17,649	ASX 20	31-Dec
QUB	QUBE HOLDINGS LIMITED	Industrials	2,092	ASX 51-100	30-Jun
RHC	RAMSAY HEALTH CARE LIMITED	Health Care	11,816	ASX 21-50	30-Jun
REA	REA GROUP LTD	Consumer Discretionary	5,838	ASX 51-100	30-Jun
REC	RECALL HOLDINGS LIMITED	Industrials	2,296	ASX 51-100	30-Jun
REG	REGIS HEALTHCARE LIMITED	Health Care	1,604	ASX 101-200	30-Jun
RRL	REGIS RESOURCES LIMITED	Materials	892	ASX 101-200	30-Jun
RFG	RETAIL FOOD GROUP LIMITED	Consumer Discretionary	675	ASX 101-200	30-Jun
RIO	RIO TINTO LIMITED	Materials	20,616	ASX 20	31-Dec
SAI	SAI GLOBAL LIMITED	Industrials	961	ASX 101-200	30-Jun
SFR	SANDFIRE RESOURCES NL	Materials	845	ASX 101-200	30-Jun
STO	SANTOS LIMITED	Energy	3,997	ASX 51-100	31-Dec
SCG	SCENTRE GROUP	Financials	20,765	ASX 20	31-Dec
SEK	SEEK LIMITED	Industrials	4,133	ASX 51-100	30-Jun
SHV	SELECT HARVESTS LIMITED	Consumer Staples	801	ASX 101-200	30-Jun
SVW	SEVEN GROUP HOLDINGS LIMITED	Industrials	1,283	ASX 101-200	30-Jun
SWM	SEVEN WEST MEDIA LIMITED	Consumer Discretionary	1,120	ASX 101-200	27-Jun
SCP	SHOPPING CENTRES AUSTRALASIA PROPERTY GROUP	Financials	1,413	ASX 101-200	30-Jun
SIP	SIGMA PHARMACEUTICALS LIMITED	Health Care	806	ASX 101-200	31-Jan
SGM	SIMS METAL MANAGEMENT LIMITED	Materials	1,984	ASX 101-200	30-Jun
SRX	SIRTEX MEDICAL LIMITED	Health Care	1,871	ASX 101-200	30-Jun
SKT	SKY NETWORK TELEVISION LIMITED	Consumer Discretionary	1,658	ASX 101-200	30-Jun
SKC	SKYCITY ENTERTAINMENT GROUP LIMITED	Consumer Discretionary	1,992	ASX 101-200	30-Jun
SGH	SLATER & GORDON LIMITED	Consumer Discretionary	1,033	ASX 101-200	30-Jun
SHL	SONIC HEALTHCARE LIMITED	Health Care	7,340	ASX 21-50	30-Jun
S32	SOUTH32 LIMITED	Materials	7,267	ASX 21-50	30-Jun
SXL	SOUTHERN CROSS MEDIA GROUP LIMITED	Consumer Discretionary	671	ASX 101-200	30-Jun
SKI	SPARK INFRASTRUCTURE GROUP	Utilities	2,742	ASX 51-100	31-Dec
SPK	SPARK NEW ZEALAND	Telecommunication Services	4,960	ASX 51-100	30-Jun
SPO	SPOTLESS GROUP HOLDINGS LIMITED	Industrials	2,361	ASX 51-100	30-Jun
SDF	STEADFAST GROUP LIMITED	Financials	1,059	ASX 101-200	30-Jun

SGP	STOCKLAND	Financials	9,153	ASX 21-50	30-Jun
SUN	SUNCORP GROUP LIMITED	Financials	15,684	ASX 20	30-Jun
SUL	SUPER RETAIL GROUP LIMITED	Consumer Discretionary	1,757	ASX 101-200	27-Jun
SYD	SYDNEY AIRPORT	Industrials	13,288	ASX 21-50	31-Dec
SYR	SYRAH RESOURCES LIMITED	Materials	567	ASX 101-200	30-Jun
TAH	TABCORP HOLDINGS LIMITED	Consumer Discretionary	3,883	ASX 51-100	30-Jun
TGR	TASSAL GROUP LIMITED	Consumer Staples	632	ASX 101-200	30-Jun
TTS	TATTS GROUP LIMITED	Consumer Discretionary	5,493	ASX 51-100	30-Jun
TNE	TECHNOLOGY ONE LIMITED	Information Technology	1,193	ASX 101-200	30-Sep
TLS	TELSTRA CORPORATION LIMITED	Telecommunication Services	68,586	ASX 20	30-Jun
TEN	TEN NETWORK HOLDINGS LIMITED	Consumer Discretionary	474	ASX 101-200	30-Aug
SGR	THE STAR ENTERTAINMENT GROUP LIMITED	Consumer Discretionary	3,996	ASX 51-100	30-Jun
TPM	TPG TELECOM LIMITED	Telecommunication Services	8,873	ASX 21-50	30-Jul
TME	TRADE ME GROUP LIMITED	Consumer Discretionary	1,330	ASX 101-200	30-Jun
TPI	TRANS PACIFIC INDUSTRIES GROUP LTD	Industrials	1,075	ASX 101-200	30-Jun
TCL	TRANSURBAN GROUP	Industrials	19,104	ASX 20	30-Jun
TWE	TREASURY WINE ESTATES LIMITED	Consumer Staples	4,272	ASX 51-100	30-Jun
VED	VEDA GROUP LIMITED	Industrials	2,260	ASX 51-100	30-Jun
VCX	VICINITY CENTRES	Financials	10,847	ASX 21-50	30-Jun
VRL	VILLAGE ROADSHOW LIMITED	Consumer Discretionary	1,115	ASX 101-200	30-Jun
VRT	VIRTUS HEALTH LIMITED	Health Care	434	ASX 101-200	30-Jun
VOC	VOCUS COMMUNICATIONS LIMITED	Telecommunication Services	1,359	ASX 101-200	30-Jun
WES	WESFARMERS LIMITED	Consumer Staples	44,074	ASX 20	30-Jun
WSA	WESTERN AREAS LIMITED	Materials	502	ASX 101-200	30-Jun
WFD	WESTFIELD CORPORATION	Financials	20,719	ASX 20	31-Dec
WBC	WESTPAC BANKING CORPORATION	Financials	94,562	ASX 20	30-Sep
WHC	WHITEHAVEN COAL LIMITED	Energy	918	ASX 101-200	30-Jun
WPL	WOODSIDE PETROLEUM LIMITED	Energy	23,836	ASX 20	31-Dec
WOW	WOOLWORTHS LIMITED	Consumer Staples	31,463	ASX 20	28-Jun
WOR	WORLEYPARSONS LIMITED	Energy	1,445	ASX 101-200	30-Jun

## ASX 201 – 500

ASX Entity Name Code	GICS Sector	Market Capitalisation as at 30 September 2015 (\$million)	Market Capitalisation groups as at 30 September 2015	Year End
ONT 1300 SMILES LIMITED	Health Care	165	ASX 401-500	30-Jun
TIX 360 CAPITAL INDUSTRIAL FUND	Financials	364	ASX 201-300	30-Jun
3PL 3P LEARNING LIMITED	Consumer Discretionary	251	ASX 301-400	30-Jun
ACX ACONEX LIMITED	Information Technology	685	ASX 201-300	30-Jun
ADH ADAIRS LIMITED	Consumer Discretionary	436	ASX 201-300	28-Jun
AGI AINSWORTH GAME TECHNOLOGY LIMITED	Consumer Discretionary	903	ASX 201-300	30-Jun
AIZ AIR NEW ZEALAND LIMITED	Industrials	2,524	ASX 201-300	30-Jun
LEP ALE PROPERTY GROUP	Financials	734	ASX 201-300	30-Jun
AMA AMA GROUP LIMITED	Consumer Discretionary	385	ASX 201-300	30-Jun
APO APN OUTDOOR GROUP LIMITED	Consumer Discretionary	641	ASX 201-300	31-Dec
AQP AQUARIUS PLATINUM LIMITED	Materials	219	ASX 301-400	30-Jun
ARF ARENA REIT	Financials	372	ASX 201-300	30-Jun
AFA ASF GROUP LIMITED	Financials	205	ASX 301-400	30-Jun
ASZ ASG GROUP LIMITED	Information Technology	212	ASX 301-400	30-Jun
AJD ASIA PACIFIC DATA CENTRE GROUP	Financials	144	ASX 401-500	30-Jun
APZ ASPEN GROUP LIMITED	Financials	152	ASX 401-500	30-Jun
AJA ASTRO JAPAN PROPERTY GROUP	Financials	318	ASX 301-400	30-Jun
ATU ATRUM COAL NL	Materials	112	ASX 401-500	30-Jun
AKP AUDIO PIXELS HOLDINGS LIMITED	Consumer Discretionary	206	ASX 301-400	31-Dec
AUB AUSTBROKERS HOLDINGS LIMITED	Financials	550	ASX 201-300	30-Jun
ACO AUSTRALIAN CAREERS NETWORK LIMITED	Consumer Discretionary	243	ASX 301-400	30-Jun
AFG AUSTRALIAN FINANCE GROUP LTD	Financials	208	ASX 301-400	30-Jun
API AUSTRALIAN PHARMACEUTICAL INDUSTRIES LIMITED	Health Care	739	ASX 201-300	31-Aug
ABA AUSWIDE BANK LTD	Financials	193	ASX 301-400	30-Jun
AVJ AVJENNINGS LIMITED	Financials	213	ASX 301-400	30-Jun
BLX BEACON LIGHTING GROUP LIMITED	Consumer Discretionary	409	ASX 201-300	28-Jun
BFG BELL FINANCIAL GROUP LIMITED	Financials	114	ASX 401-500	31-Dec
BAL BELLAMY'S AUSTRALIA LIMITED	Consumer Staples	760	ASX 201-300	30-Jun
BBG BILLABONG INTERNATIONAL LIMITED	Consumer Discretionary	644	ASX 201-300	30-Jun
BNO BIONOMICS LIMITED	Health Care	199	ASX 301-400	30-Jun
BLA BLUE SKY ALTERNATIVE INVESTMENTS LIMITED	Financials	315	ASX 301-400	30-Jun
BKN BRADKEN LIMITED	Industrials	171	ASX 401-500	30-Jun
BRN BRAINCHIP HOLDINGS LIMITED	Software	198	ASX 201-300	31-Dec
BKW BRICKWORKS LIMITED	Materials	2,305	ASX 201-300	31-Jul
BCK BROCKMAN MINING LIMITED	Materials	168	ASX 401-500	30-Jun
BPA BROOKFIELD PRIME PROPERTY FUND	Financials	248	ASX 301-400	30-Jun

BRU	BURU ENERGY LIMITED	Energy	122	ASX 401-500	31-Dec
CZZ	CAPILANO HONEY LIMITED	Consumer Staples	198	ASX 301-400	30-Jun
CAJ	CAPITOL HEALTH LIMITED	Health Care	298	ASX 301-400	30-Jun
CCV	CASH CONVERTERS INTERNATIONAL	Consumer Discretionary	260	ASX 301-400	30-Jun
CWP	CEDAR WOODS PROPERTIES LIMITED	Financials	339	ASX 301-400	30-Jun
CWC	CHINA WASTE CORPORATION	Materials	431	ASX 201-300	30-Jun
CNU	CHORUS LIMITED	Telecommunication Services	935	ASX 201-300	30-Jun
CII	CI RESOURCES LIMITED	Materials	138	ASX 401-500	30-Jun
CGL	CITADEL GROUP LIMITED, THE	Information Technology	215	ASX 301-400	30-Jun
CVW	CLEARVIEW WEALTH LIMITED	Financials	551	ASX 201-300	30-Jun
CZA	COAL OF AFRICA LIMITED	Energy	173	ASX 401-500	30-Jun
CGW	COATS GROUP PLC	Consumer Discretionary	802	ASX 201-300	31-Dec
CDA	CODAN LIMITED	Information Technology	172	ASX 401-500	30-Jun
CLH	COLLECTION HOUSE LIMITED	Industrials	300	ASX 301-400	30-Jun
CUP	COUNTPLUS LIMITED	Industrials	114	ASX 401-500	30-Jun
CVT	COVATA LIMITED	Information Technology	131	ASX 401-500	30-Jun
CSV	CSG LIMITED	Information Technology	545	ASX 201-300	30-Jun
CDU	CUDECO LIMITED	Materials	307	ASX 301-400	30-Jun
DTL	DATA3 LIMITED	Information Technology	180	ASX 401-500	30-Jun
DCG	DECMIL GROUP LIMITED	Industrials	155	ASX 401-500	30-Jun
DDR	DICKER DATA LIMITED	Information Technology	279	ASX 301-400	31-Dec
DNA	DONACO INTERNATIONAL LIMITED	Consumer Discretionary	577	ASX 201-300	30-Jun
DWS	DWS LIMITED	Information Technology	129	ASX 401-500	30-Jun
EBO	EBOS GROUP LIMITED	Health Care	1,712	ASX 201-300	30-Jun
ECX	ECCLIPX GROUP LIMITED	Financials	723	ASX 201-300	30-Sep
ELD	ELDERS LIMITED	Consumer Staples	320	ASX 301-400	30-Sep
ERA	ENERGY RESOURCES OF AUSTRALIA LIMITED	Energy	166	ASX 401-500	31-Dec
EWC	ENERGY WORLD CORPORATION LTD	Utilities	347	ASX 201-300	30-Jun
EQT	EQUITY TRUSTEES LIMITED	Financials	450	ASX 201-300	30-Jun
EPW	ERM POWER LIMITED	Utilities	547	ASX 201-300	30-Jun
EZL	EUROZ LIMITED	Financials	140	ASX 401-500	30-Jun
EVT	EVENT HOSPITALITY AND ENTERTAINMENT LTD	Consumer Discretionary	2,044	ASX 201-300	28-Jun
FAN	FANTASTIC HOLDINGS LIMITED	Consumer Discretionary	233	ASX 301-400	30-Jun
FAR	FAR LIMITED	Energy	249	ASX 301-400	31-Dec
FRI	FINBAR GROUP LIMITED	Financials	261	ASX 301-400	30-Jun
FET	FOLKESTONE EDUCATION TRUST	Financials	486	ASX 201-300	30-Jun
FLK	FOLKESTONE LIMITED	Financials	144	ASX 401-500	30-Jun
FNP	FREEDOM FOODS GROUP LIMITED	Consumer Staples	425	ASX 201-300	30-Jun
FSA	FSA GROUP LIMITED	Financials	156	ASX 401-500	30-Jun
GZL	GAZAL CORPORATION LIMITED	Consumer Discretionary	139	ASX 401-500	30-Jun
GBT	GBST HOLDINGS LIMITED	Information Technology	329	ASX 301-400	30-Jun
GDI	GDI PROPERTY GROUP	Financials	494	ASX 201-300	30-Jun

GHC	GENERATION HEALTHCARE REIT	Financials	395	ASX 201-300	30-Jun
GNE	GENESIS ENERGY LIMITED	Utilities	1,680	ASX 201-300	30-Jun
GFY	GODFREYS GROUP LIMITED	Consumer Discretionary	113	ASX 401-500	26-Jun
GOR	GOLD ROAD RESOURCES LIMITED	Materials	302	ASX 301-400	30-Jun
GMF	GPT METRO OFFICE FUND	Financials	265	ASX 301-400	30-Jun
GRR	GRANGE RESOURCES LIMITED	Materials	116	ASX 401-500	31-Dec
HSN	HANSEN TECHNOLOGIES LIMITED	Information Technology	548	ASX 201-300	30-Jun
HLO	HELLOWORLD LIMITED	Consumer Discretionary	132	ASX 401-500	30-Jun
HFA	HFA HOLDINGS LIMITED	Financials	438	ASX 201-300	30-Jun
HFR	HIGHFIELD RESOURCES LIMITED	Materials	425	ASX 201-300	30-Jun
HZN	HORIZON OIL LIMITED	Energy	122	ASX 401-500	30-Jun
HPI	HOTEL PROPERTY INVESTMENTS	Financials	375	ASX 201-300	30-Jun
HUB	HUB24 LIMITED	Financials	123	ASX 401-500	30-Jun
HUO	HUON AQUACULTURE GROUP LIMITED	Consumer Staples	314	ASX 301-400	30-Jun
IMF	IMF BENTHAM LIMITED	Financials	223	ASX 301-400	30-Jun
IPD	IMPEDIMED LIMITED	Health Care	260	ASX 301-400	30-Jun
IFN	INFIGEN ENERGY	Utilities	209	ASX 301-400	30-Jun
IFM	INFOMEDIA LTD	Information Technology	254	ASX 301-400	30-Jun
INA	INGENIA COMMUNITIES GROUP	Financials	392	ASX 201-300	30-Jun
IRI	INTEGRATED RESEARCH LIMITED	Information Technology	464	ASX 201-300	30-Jun
IPH	IPH LIMITED	Industrials	1,174	ASX 201-300	30-Jun
ISU	ISELECT LIMITED	Consumer Discretionary	394	ASX 201-300	30-Jun
ISD	ISENTIA GROUP LIMITED	Information Technology	782	ASX 201-300	30-Jun
ISX	ISIGNTHIS LIMITED	Information Technology	207	ASX 301-400	30-Jun
IWG	IWEBGATE LIMITED	Information Technology	122	ASX 401-500	30-Jun
KSC	K&S CORPORATION LIMITED	Industrials	155	ASX 401-500	30-Jun
KAM	K2 ASSET MANAGEMENT HOLDINGS LIMITED	Financials	158	ASX 401-500	30-Jun
KMD	KATHMANDU HOLDINGS LIMITED	Consumer Discretionary	262	ASX 301-400	31-Jul
KCN	KINGSGATE CONSOLIDATED LIMITED	Materials	161	ASX 401-500	30-Jun
LHC	LIFEHEALTHCARE GROUP LIMITED	Health Care	128	ASX 401-500	30-Jun
LIC	LIFESTYLE COMMUNITIES LIMITED	Financials	280	ASX 301-400	30-Jun
LOV	LOVISA HOLDINGS LIMITED	Consumer Discretionary	315	ASX 301-400	30-Jun
MLD	MACA LIMITED	Industrials	205	ASX 301-400	30-Jun
MRN	MACQUARIE RADIO NETWORK LIMITED	Consumer Discretionary	195	ASX 301-400	30-Jun
MVP	MEDICAL DEVELOPMENTS INTERNATIONAL LIMITED	Health Care	190	ASX 401-500	30-Jun
MLX	METALS X LIMITED	Materials	528	ASX 201-300	30-Jun
MYT	MIGHTY RIVER POWER LIMITED	Utilities	3,140	ASX 201-300	30-Jun
MRM	MMA OFFSHORE LIMITED	Industrials	191	ASX 301-400	30-Jun
MVF	MONASH IVF GROUP LIMITED	Health Care	297	ASX 301-400	30-Jun
MNY	MONEY3 CORPORATION LIMITED	Financials	140	ASX 401-500	30-Jun
MOC	MORTGAGE CHOICE LIMITED	Financials	234	ASX 301-400	30-Jun
MGX	MOUNT GIBSON IRON LIMITED	Materials	191	ASX 301-400	30-Jun

MNF	MY NET FONE LIMITED	Telecommunication Services	234	ASX 301-400	30-Jun
MYS	MYSTATE LIMITED	Financials	393	ASX 201-300	30-Jun
NAN	NANOSONICS LIMITED	Health Care	374	ASX 201-300	30-Jun
NEA	NEARMAP LTD	Information Technology	156	ASX 401-500	30-Jun
NTC	NETCOMM WIRELESS LIMITED	Information Technology	190	ASX 401-500	30-Jun
NXT	NEXTDC LIMITED	Information Technology	465	ASX 201-300	30-Jun
NHF	NIB HOLDINGS LIMITED	Financials	1,436	ASX 201-300	30-Jun
NCK	NICK SCALI LIMITED	Consumer Discretionary	295	ASX 301-400	30-Jun
NPX	NUPLEX INDUSTRIES LIMITED	Materials	653	ASX 201-300	30-Jun
OCL	OBJECTIVE CORPORATION LIMITED	Information Technology	164	ASX 401-500	30-Jun
ORE	OROCOBRE LIMITED	Materials	282	ASX 301-400	30-Jun
PSQ	PACIFIC SMILES GROUP LIMITED	Health Care	327	ASX 301-400	30-Jun
PFL	PATTIES FOODS LTD	Consumer Staples	160	ASX 401-500	30-Jun
PPC	PEET LIMITED	Financials	527	ASX 201-300	30-Jun
PEP	PEPPER GROUP LIMITED	Financials	601	ASX 201-300	31-Dec
PIC	PERPETUAL EQUITY INVESTMENT COMPANY LIMITED	Financials	238	ASX 301-400	30-Jun
PRU	PERSEUS MINING LIMITED	Materials	161	ASX 401-500	30-Jun
PHI	PHILEO AUSTRALIA LIMITED	Financials	260	ASX 301-400	30-Jun
PGF	PM CAPITAL GLOBAL OPPORTUNITIES FUND LIMITED	Financials	344	ASX 301-400	30-Jun
PMP	PMP LIMITED	Industrials	173	ASX 401-500	30-Jun
PRR	PRIMA BIOMED LIMITED	Health Care	115	ASX 401-500	30-Jun
PRT	PRIME MEDIA GROUP LIMITED	Consumer Discretionary	190	ASX 301-400	30-Jun
PME	PRO MEDICUS LIMITED	Health Care	241	ASX 301-400	30-Jun
QMS	QMS MEDIA LIMITED	Consumer Discretionary	231	ASX 301-400	30-Jun
RCG	RCG CORPORATION LIMITED	Consumer Discretionary	604	ASX 201-300	28-Jun
RCR	RCR TOMLINSON LIMITED	Industrials	301	ASX 301-400	30-Jun
REH	REECE LIMITED	Industrials	3,486	ASX 201-300	30-Jun
RCT	REEF CASINO TRUST	Consumer Discretionary	178	ASX 401-500	31-Dec
RSG	RESOLUTE MINING LIMITED	Materials	199	ASX 301-400	30-Jun
RVA	REVA MEDICAL INC	Health Care	270	ASX 301-400	31-Dec
RIC	RIDLEY CORPORATION LIMITED	Consumer Staples	399	ASX 201-300	30-Jun
RWH	ROYAL WOLF HOLDINGS LIMITED	Industrials	244	ASX 301-400	30-Jun
RHL	RURALCO HOLDINGS LIMITED	Consumer Discretionary	283	ASX 301-400	30-Sep
SAR	SARACEN MINERAL HOLDINGS LIMITED	Materials	396	ASX 201-300	30-Jun
SLK	SEALINK TRAVEL GROUP LIMITED	Consumer Discretionary	297	ASX 301-400	30-Jun
SDM	SEDMAN LIMITED	Industrials	191	ASX 301-400	30-Jun
SXY	SENEX ENERGY LIMITED	Energy	173	ASX 401-500	30-Jun
SRV	SERVCORP LIMITED	Financials	684	ASX 201-300	30-Jun
SGF	SG FLEET GROUP LIMITED	Industrials	718	ASX 201-300	30-Jun
SHJ	SHINE CORPORATE LTD	Consumer Discretionary	363	ASX 201-300	30-Jun
SIO	SIMONDS GROUP LIMITED	Consumer Discretionary	201	ASX 301-400	30-Jun

SMX	SMS MANAGEMENT AND TECHNOLOGY LIMITED	Information Technology	361	ASX 201-300	30-Jun
SBM	ST BARBARA LIMITED	Materials	520	ASX 201-300	30-Jun
SPL	STARPHARMA HOLDINGS LIMITED	Health Care	251	ASX 301-400	30-Jun
SGN	STW COMMUNICATIONS GROUP LIMITED	Consumer Discretionary	303	ASX 301-400	31-Dec
SDG	SUNLAND GROUP LIMITED	Financials	283	ASX 301-400	30-Jun
SLC	SUPERLOOP LIMITED	Telecommunication Services	214	ASX 301-400	30-Jun
SRF	SURFSTITCH GROUP LIMITED	Consumer Discretionary	395	ASX 201-300	30-Jun
TFC	TFS CORPORATION LIMITED	Materials	518	ASX 201-300	30-Jun
A2M	THE A2 MILK COMPANY LIMITED	Consumer Staples	422	ASX 201-300	30-Jun
TRS	THE REJECT SHOP LIMITED	Consumer Discretionary	249	ASX 301-400	28-Jun
TCH	TOUCHCORP LIMITED	Information Technology	197	ASX 301-400	31-Dec
TWR	TOWER LIMITED	Financials	320	ASX 301-400	30-Sep
TOX	TOX FREE SOLUTIONS LIMITED	Industrials	347	ASX 301-400	30-Jun
TGP	TRAFalgar Corporate Group Limited	Financials	241	ASX 301-400	30-Jun
TBR	TRIBUNE RESOURCES LIMITED	Materials	200	ASX 301-400	30-Jun
UGL	UGL LIMITED	Industrials	313	ASX 301-400	30-Jun
UBN	URBANISE.COM LIMITED	Information Technology	187	ASX 401-500	30-Jun
UXC	UXC LIMITED	Information Technology	420	ASX 201-300	30-Jun
VLW	VILLA WORLD LIMITED	Financials	231	ASX 301-400	30-Jun
VAH	VIRGIN AUSTRALIA HOLDINGS LIMITED	Industrials	1,711	ASX 201-300	30-Jun
VEI	VISION EYE INSTITUTE LIMITED	Health Care	195	ASX 301-400	30-Jun
VTG	VITA GROUP LIMITED	Consumer Discretionary	281	ASX 301-400	30-Jun
WCB	WARRNAMBOOL CHEESE AND BUTTER FACTORY COMPANY	Consumer Staples	522	ASX 201-300	31-Mar
SOL	WASHINGTON H. SOUL PATTINSON AND CO. LIMITED	Energy	3,641	ASX 201-300	31-Jul
WTP	WATPAC LIMITED	Industrials	169	ASX 401-500	30-Jun
WEB	WEBJET LIMITED	Consumer Discretionary	341	ASX 301-400	30-Jun
WBA	WEBSTER LIMITED	Consumer Staples	494	ASX 201-300	30-Jun
WLL	WELLCOM GROUP LIMITED	Industrials	187	ASX 401-500	30-Jun
WLF	WOLF MINERALS LIMITED	Materials	267	ASX 301-400	30-Jun
YAL	YANCOAL AUSTRALIA LIMITED	Energy	114	ASX 401-500	31-Dec
YOW	YOWIE GROUP LTD	Consumer Staples	170	ASX 401-500	30-Jun
ZIM	ZIMPLATS HOLDINGS LIMITED	Materials	554	ASX 201-300	30-Jun

## ASX 501+

ASX Entity Name Code	GICS Sector	Market Capitalisation as at 30 September 2015 (\$million)	Market Capitalisation groups as at 30 September 2015	Year End
88E 88 ENERGY LIMITED	Energy	30	ASX 801-1100	31-Dec
ABU ABM RESOURCES NL	Materials	70	ASX 501-800	29-Jun
ADA ADACEL TECHNOLOGIES LIMITED	Information Technology	77	ASX 501-800	30-Jun
AMN AGRIMIN LIMITED	Materials	21	ASX 801-1100	30-Jun
AHL AHALIFE HOLDINGS LIMITED	Consumer Discretionary	58	ASX 501-800	30-Jun
AJL AJ LUCAS GROUP LIMITED	Industrials	88	ASX 501-800	30-Jun
AUQ ALARA RESOURCES LIMITED	Materials	4	ASX 1401+	30-Jun
ACL ALCHEMIA LIMITED	Health Care	24	ASX 801-1100	30-Jun
ALK ALKANE RESOURCES LTD	Materials	97	ASX 501-800	30-Jun
AGE ALLIGATOR ENERGY LIMITED	Energy	14	ASX 801-1100	30-Jun
AB1 ANIMOCA BRANDS CORPORATION LIMITED	Information Technology	23	ASX 801-1100	31-Dec
ADO ANTEO DIAGNOSTICS LIMITED	Health Care	81	ASX 501-800	30-Jun
ARU ARAFURA RESOURCES LIMITED	Materials	23	ASX 801-1100	30-Jun
AXT ARGO EXPLORATION LIMITED	Materials	3	ASX 1401+	30-Jun
ARA ARIADNE AUSTRALIA LIMITED	Industrials	75	ASX 501-800	30-Jun
AQJ ARMOUR ENERGY LIMITED	Energy	38	ASX 501-800	30-Jun
ARV ARTEMIS RESOURCES LIMITED	Materials	5	ASX 1101-1400	30-Jun
ASH ASHLEY SERVICES GROUP LIMITED	Industrials	90	ASX 501-800	30-Jun
ATR ASTRON CORPORATION LIMITED	Materials	19	ASX 801-1100	30-Jun
AGO ATLAS IRON LIMITED	Materials	75	ASX 501-800	30-Jun
AMI AURELIA METALS LIMITED	Materials	5	ASX 1101-1400	30-Jun
ANW AUSTIN MINING LTD	Materials	5	ASX 1101-1400	30-Jun
ASL AUSDRILL LIMITED	Industrials	94	ASX 501-800	30-Jun
AQD AUSQUEST LIMITED	Materials	9	ASX 1101-1400	30-Jun
ANG AUSTIN ENGINEERING LIMITED	Industrials	63	ASX 501-800	30-Jun
AQC AUSTRALIAN PACIFIC COAL LIMITED	Materials	5	ASX 1101-1400	30-Jun
ARW AUSTRALIAN RENEWABLE FUELS LIMITED	Energy	7	ASX 1101-1400	30-Jun
AVI AVALON MINERALS LIMITED	Materials	7	ASX 1101-1400	30-Jun
AVQ AXIOM MINING LIMITED	Materials	93	ASX 501-800	30-Sep
AZV AZURE HEALTHCARE LIMITED	Health Care	23	ASX 801-1100	30-Jun
BSE BASE RESOURCES LIMITED	Materials	32	ASX 501-800	30-Jun
BCI BC IRON LIMITED	Materials	44	ASX 501-800	30-Jun
BDR BEADELL RESOURCES LIMITED	Materials	112	ASX 501-800	31-Dec
BLT BENITEC BIOPHARMA LIMITED	Health Care	64	ASX 501-800	30-Jun
BCT BLUECHIP LIMITED	Information Technology	5	ASX 1101-1400	30-Jun
BOL BOOM LOGISTICS LIMITED	Industrials	47	ASX 501-800	30-Jun
BPL BROKEN HILL PROSPECTING LIMITED	Materials	4	ASX 1401+	30-Jun

BRK	BROOKSIDE ENERGY LIMITED	Energy	4	ASX 1401+	31-Dec
BSA	BSA LIMITED	Information Technology	74	ASX 501-800	31-Dec
CGH	CALIBRE GROUP LIMITED	Industrials	39	ASX 501-800	30-Jun
CAY	CANYON RESOURCES LTD	Materials	6	ASX 1101-1400	30-Jun
CFE	CAPE LAMBERT RESOURCES LIMITED	Materials	11	ASX 1101-1400	30-Jun
CAQ	CAQ HOLDINGS LIMITED	Industrials	105	ASX 501-800	30-Jun
CNQ	CARBINE TUNGSTEN LIMITED	Materials	22	ASX 801-1100	30-Jun
CVN	CARNARVON PETROLEUM LIMITED	Financials	99	ASX 501-800	31-Dec
CWE	CARNEGIE WAVE ENERGY LIMITED	Financials	87	ASX 501-800	31-Dec
CAP	CARPENTARIA EXPLORATION LIMITED	Materials	4	ASX 1401+	30-Jun
CHZ	CHESSER RESOURCES LIMITED	Materials	7	ASX 1101-1400	30-Jun
CNW	CIRRUS NETWORKS HOLDINGS LIMITED	Information Technology	17	ASX 801-1100	30-Jun
CSS	CLEAN SEASTUNA LIMITED	Consumer Staples	56	ASX 501-800	30-Jun
COE	COOPER ENERGY LIMITED	Energy	55	ASX 501-800	30-Jun
CTT	CREST MINERALS LIMITED	Materials	3	ASX 1401+	30-Jun
CLX	CTI LOGISTICS LIMITED	Industrials	78	ASX 501-800	30-Jun
CUE	CUE ENERGY RESOURCES LIMITED	Energy	52	ASX 501-800	30-Jun
DYL	DEEP YELLOW LIMITED	Energy	19	ASX 801-1100	30-Jun
EAR	ECHO RESOURCES LIMITED	Materials	15	ASX 801-1100	30-Jun
ELT	ELEMENTOS LIMITED	Materials	7	ASX 1101-1400	30-Jun
EML	EMERCHANTS LIMITED	Financials	109	ASX 501-800	30-Jun
EPD	EMPIRED LTD	Information Technology	97	ASX 501-800	30-Jun
ENB	ENEABBA GAS LIMITED	Utilities	8	ASX 1101-1400	30-Jun
ENA	ENSURANCE LTD	Materials	13	ASX 801-1100	30-Jun
EVM	ENVIROMISSION LIMITED	Utilities	58	ASX 501-800	30-Jun
ESV	ESERVGLOBAL LIMITED	Information Technology	48	ASX 501-800	31-Oct
ESM	ESPERANCE MINERALS LIMITED	Materials	4	ASX 1401+	30-Jun
FRM	FARM PRIDE FOODS LIMITED	Materials	33	ASX 501-800	31-Dec
FWD	FLEETWOOD CORPORATION LIMITED	Consumer Discretionary	95	ASX 501-800	30-Jun
FML	FOCUS MINERALS LIMITED	Materials	56	ASX 801-1100	31-Dec
FUN	FUNTASTIC LIMITED	Consumer Discretionary	24	ASX 801-1100	30-Jun
GBZ	GBM RESOURCES LIMITED	Materials	17	ASX 801-1100	30-Jun
GBI	GENERA BIOSYSTEMS LIMITED	Health Care	28	ASX 801-1100	30-Jun
GMM	GENERAL MINING CORPORATION LIMITED	Materials	27	ASX 801-1100	30-Jun
GBG	GINDALBIE METALS LTD	Materials	48	ASX 501-800	30-Jun
GME	GME RESOURCES LIMITED	Materials	12	ASX 1101-1400	30-Jun
GER	GREENEARTH ENERGY LIMITED	Industrials	20	ASX 801-1100	30-Jun
GLF	GULF INDUSTRIALS LIMITED	Materials	27	ASX 801-1100	30-Jun
HMX	HAMMER METALS LIMITED	Materials	7	ASX 1101-1400	30-Jun
HLX	HELIX RESOURCES LIMITED	Materials	9	ASX 1101-1400	30-Jun
HIG	HIGHLANDS PACIFIC LIMITED	Materials	77	ASX 501-800	31-Dec
HIL	HILLS LIMITED	Information Technology	89	ASX 501-800	30-Jun
HOM	HOMEOLOANS LIMITED	Energy	53	ASX 501-800	31-Dec

HRL	HRL HOLDINGS LTD	Utilities	12	ASX 1101-1400	30-Jun
HHL	HUNTER HALL INTERNATIONAL LIMITED	Materials	58	ASX 501-800	31-Dec
IKW	IKWEZI MININGS LIMITED	Energy	3	ASX 1401+	29-Jun
IMD	IMDEX LIMITED	Materials	46	ASX 501-800	30-Jun
IOG	INCREMENTAL OIL & GAS	Energy	7	ASX 1101-1400	31-Dec
IDO	INDO MINES LIMITED	Materials	6	ASX 1101-1400	30-Jun
IDZ	INDOOR SKYDIVE AUSTRALIA GROUP LIMITED	Materials	42	ASX 501-800	31-Dec
IRC	INTERMIN RESOURCES LIMITED	Materials	8	ASX 1101-1400	30-Jun
IAU	INTREPID MINES LIMITED	Materials	48	ASX 501-800	31-Dec
IVT	INVENTIS LIMITED	Industrials	3	ASX 1401+	30-Jun
IVR	INVESTIGATOR RESOURCES LTD	Materials	5	ASX 1101-1400	30-Jun
IRD	IRON ROAD LIMITED	Materials	61	ASX 501-800	30-Jun
JRV	JEROVIS MINING LIMITED	Materials	4	ASX 1401+	30-Jun
JIN	JUMBO INTERACTIVE LIMITED	Materials	43	ASX 501-800	31-Dec
KRL	KANGAROO RESOURCES LIMITED	Materials	27	ASX 801-1100	31-Dec
KNL	KIBARAN RESOURCES LIMITED	Materials	31	ASX 501-800	30-Jun
KRM	KINGSROSE MINING LIMITED	Materials	77	ASX 501-800	30-Jun
KNM	KNEOMEDIA LIMITED	Information Technology	4	ASX 1401+	30-Jun
KKT	KONEKT LIMITED	Health Care	18	ASX 801-1100	30-Jun
KOR	KORAB RESOURCES LIMITED	Materials	5	ASX 1101-1400	30-Jun
LMG	LATROBE MAGNESIUM LIMITED	Materials	9	ASX 1101-1400	30-Jun
LCK	LEIGH CREEK ENERGY LIMITED	Materials	41	ASX 501-800	30-Jun
LIO	LION ENERGY LIMITED	Energy	14	ASX 801-1100	30-Jun
LSR	LODESTAR MINERALS LIMITED	Materials	8	ASX 1101-1400	30-Jun
LCM	LOGICAMMS LIMITED	Industrials	49	ASX 501-800	30-Jun
LWP	LWP TECHNOLOGIES LIMITED	Energy	35	ASX 501-800	30-Jun
LYC	LYNAS CORPORATION LIMITED	Materials	112	ASX 501-800	30-Jun
MAH	MACMAHON HOLDINGS LIMITED	Industrials	82	ASX 501-800	30-Jun
MRP	MACPHERSONS RESOURCES LIMITED	Materials	21	ASX 801-1100	30-Jun
MPE	MAGNUM GAS & POWER LIMITED	Energy	4	ASX 1401+	30-Jun
MTL	MANALTO LIMITED	Information Technology	8	ASX 1101-1400	30-Jun
MJP	MARTIN AIRCRAFT LIMITED	Energy	101	ASX 501-800	31-Dec
MCE	MATRIX COMPOSITES & ENGINEERING LIMITED	Energy	42	ASX 501-800	30-Jun
MAD	MAVERICK DRILLING AND EXPLORATION LIMITED	Energy	44	ASX 501-800	31-Dec
MXI	MAXITRANS INDUSTRIES LIMITED	Industrials	81	ASX 501-800	30-Jun
MCP	MCPHERSON'S LIMITED	Consumer Discretionary	64	ASX 501-800	30-Jun
MEB	MEDIBIO LIMITED	Materials	44	ASX 501-800	31-Dec
MLA	MEDICAL AUSTRALIA LIMITED	Health Care	10	ASX 1101-1400	30-Jun
MEO	MEO AUSTRALIA LIMITED	Energy	11	ASX 1101-1400	30-Jun
MLM	METALLICA MINERALS LIMITED	Materials	7	ASX 1101-1400	30-Jun
MNC	METMINCO LIMITED	Materials	13	ASX 801-1100	31-Dec

MNB	MINBOS RESOURCES LIMITED	Materials	4	ASX 1401+	30-Jun
MCR	MINCOR RESOURCES NL	Materials	46	ASX 501-800	30-Jun
MDL	MINERAL DEPOSITS LIMITED	Materials	48	ASX 501-800	31-Dec
MRV	MORETON RESOURCES LTD	Energy	5	ASX 1101-1400	30-Jun
NSE	NEW STANDARD ENERGY LIMITED	Energy	5	ASX 1101-1400	30-Jun
NTU	NORTHERN MINERALS LIMITED	Materials	90	ASX 501-800	30-Jun
NWH	NRW HOLDINGS LIMITED	Industrials	26	ASX 801-1100	30-Jun
OBJ	OBJ LIMITED	Health Care	98	ASX 501-800	30-Jun
OTH	ONTHEHOUSE HOLDINGS LIMITED	Information Technology	44	ASX 501-800	30-Jun
OIL	OPTISCAN IMAGING LIMITED	Health Care	11	ASX 1101-1400	30-Jun
OEL	OTTO ENERGY LIMITED	Energy	34	ASX 501-800	30-Jun
OZB	OZ BREWING LIMITED	Consumer Staples	5	ASX 1101-1400	30-Jun
PFM	PACIFIC MINING LIMITED	Financials	5	ASX 1101-1400	30-Jun
PNR	PACIFIC NIUGINI LTD	Materials	29	ASX 801-1100	30-Jun
PAN	PANORAMIC RESOURCES LIMITED	Materials	92	ASX 501-800	30-Jun
PNL	PARINGA RESOURCES LIMITED	Materials	46	ASX 501-800	31-Dec
PEX	PEEL MINING LIMITED	Materials	21	ASX 801-1100	30-Jun
PAA	PHARMAUST LIMITED	Health Care	9	ASX 1101-1400	30-Jun
PXS	PHARMAXIS LTD	Health Care	73	ASX 501-800	30-Jun
PHK	PHOSLOCK WATER SOLUTIONS LIMITED	Industrials	8	ASX 1101-1400	30-Jun
PIO	PIONEER RESOURCES LIMITED	Materials	12	ASX 801-1100	30-Jun
PPG	PRO-PAC PACKAGING LIMITED	Industrials	98	ASX 501-800	31-Dec
PHG	PULSE HEALTH LIMITED	Health Care	92	ASX 501-800	31-Dec
QHL	QUICKSTEP HOLDINGS LIMITED	Materials	72	ASX 501-800	31-Dec
RMS	RAMELIUS RESOURCES LIMITED	Materials	85	ASX 501-800	30-Jun
RRS	RANGE RESOURCES LIMITED	Energy	91	ASX 501-800	30-Jun
RDF	REDFLEX HOLDINGS LIMITED	Information Technology	27	ASX 801-1100	30-Jun
RDH	REDHILL EDUCATION LIMITED	Materials	38	ASX 501-800	31-Dec
RGP	REFRESH GROUP LIMITED	Consumer Staples	6	ASX 1101-1400	30-Jun
REX	REGIONAL EXPRESS HOLDINGS LIMITED	Industrials	100	ASX 501-800	30-Jun
RNU	RENASCOR RESOURCES LIMITED	Energy	3	ASX 1401+	30-Jun
RHT	RESONANCE HEALTH LIMITED	Health Care	14	ASX 801-1100	30-Jun
RMI	RESOURCE MINING CORPORATION LIMITED	Materials	3	ASX 1401+	30-Jun
RSH	RESPIRI LIMITED	Health Care	18	ASX 801-1100	30-Jun
RIS	RICHFIELD INTERNATIONAL LIMITED	Industrials	9	ASX 1101-1400	31-Dec
RIM	RIMFIRE PACIFIC MINING NL	Materials	14	ASX 801-1100	30-Jun
RXL	ROX RESOURCES LIMITED	Materials	20	ASX 801-1100	30-Jun
RFL	RUBIK FINANCIAL LIMITED	Information Technology	55	ASX 501-800	30-Jun
SRH	SAFEROADS HOLDINGS LIMITED	Industrials	6	ASX 1101-1400	30-Jun
SLM	SALMAT LIMITED	Industrials	100	ASX 501-800	30-Jun
SDI	SDI LIMITED	Health Care	69	ASX 501-800	30-Jun
SWL	SEYMOUR WHYTE LIMITED	Industrials	110	ASX 501-800	30-Jun
SLX	SILEX SYSTEMS LIMITED	Information Technology	72	ASX 501-800	30-Jun

SLR	SILVER LAKE RESOURCES LIMITED	Materials	78	ASX 501-800	30-Jun
SKB	SKYDIVE THE BEACH GROUP LIMITED	Industrials	85	ASX 501-800	31-Dec
SXE	SOUTHERN CROSS ELECTRICAL ENGINEERING LTD	Industrials	51	ASX 501-800	30-Jun
SAU	SOUTHERN GOLD LIMITED	Materials	7	ASX 1101-1400	30-Jun
SFH	SPECIALTY FASHION GROUP LIMITED	Energy	103	ASX 501-800	31-Dec
STL	STARGROUP LIMITED	Information Technology	8	ASX 1101-1400	30-Jun
STX	STRIKE ENERGY LIMITED	Energy	87	ASX 501-800	30-Jun
SGU	SUCCESS RESOURCES GLOBAL LTD	Consumer Discretionary	17	ASX 801-1100	30-Jun
SMM	SUMMIT RESOURCES LIMITED	Energy	36	ASX 501-800	30-Jun
SDL	SUNDANCE RESOURCES LIMITED	Materials	50	ASX 501-800	30-Jun
SNL	SUPPLY NETWORK LIMITED	Consumer Discretionary	82	ASX 501-800	30-Jun
TLM	TALISMAN MINING LIMITED	Materials	56	ASX 501-800	31-Dec
TAM	TANAMI GOLD NL	Materials	72	ASX 501-800	30-Jun
TPS	THREAT PROTECT AUSTRALIA LIMITED	Energy	13	ASX 801-1100	30-Jun
TGS	TIGER RESOURCES LIMITED	Materials	65	ASX 501-800	31-Dec
TIS	TISSUE THERAPIES LIMITED	Health Care	13	ASX 801-1100	30-Jun
TOE	TORO ENERGY LIMITED	Energy	104	ASX 501-800	30-Jun
TSV	TRANSERV ENERGY LIMITED	Energy	49	ASX 501-800	30-Jun
TRY	TROY RESOURCES LIMITED	Materials	94	ASX 501-800	30-Jun
VMX	VALMEC LIMITED	Energy	14	ASX 801-1100	30-Jun
VXR	VENTUREX RESOURCES LIMITED	Materials	5	ASX 1101-1400	30-Jun
VIG	VICTOR GROUP HOLDINGS LIMITED	Consumer Discretionary	104	ASX 501-800	30-Jun
VLA	VIRALYTICS LIMITED	Health Care	109	ASX 501-800	30-Jun
WMN	WESTERN MINING NETWORK LIMITED	Materials	37	ASX 501-800	30-Jun
XTD	XTD LIMITED	Consumer Discretionary	18	ASX 801-1100	30-Jun
XTE	XTEK LTD	Industrials	8	ASX 1101-1400	30-Jun
YBR	YELLOW BRICK ROAD HOLDINGS LIMITED	Financials	104	ASX 501-800	30-Jun



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