

CORPORATE GOVERNANCE STATEMENT

Pacific Brands' directors and management are committed to conducting the Company's business ethically and in accordance with high standards of corporate governance. Good corporate governance structures encourage companies to create value for shareholders through sensible risk taking, but provide accountability and control systems commensurate with the risks involved.

This statement describes Pacific Brands' approach to corporate governance. The Board believes that the Company's policies and practices comply in all substantial respects with the Australian Securities Exchange ('ASX') Corporate Governance Council's Corporate Governance Principles and Recommendations. A checklist summarising this is found in section 11 of this Statement.

Copies of the main corporate governance policies adopted by the Company can be found on the Company's website at www.pacificbrands.com.au.

1 ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is committed to maximising performance, generating shareholder value and financial return, and sustaining, on a long term basis, a portfolio of high quality brands.

In conducting business in line with these objectives, the Board is responsible for ensuring that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its directors, officers and employees operate in an appropriate environment of corporate governance. The Board's charter can be found on the Company's website at www.pacificbrands.com.au. The Board has ultimate responsibility for establishing policies regarding the business and affairs of the Company for the benefit of its shareholders and other stakeholders. The Board's key responsibilities include:

- appointing, and reviewing the performance of, the Chief Executive Officer;
- ensuring executive and Board succession planning;
- approving budgets and strategic plans;
- evaluating the performance of the Company against strategies and business plans;
- approving the Company's risk management strategy and monitoring its effectiveness;
- approving significant acquisitions or divestments;
- overseeing relations with shareholders; and
- approving accounting policies and annual accounts.

The Board delegates management of the Company's resources to senior management, under the leadership of the Chief Executive Officer, to deliver the strategic direction and goals agreed between senior management and the Board. A key function of the Board is to monitor the performance of senior management in this function. Annual performance evaluations of senior management occur in accordance with the process described in the Remuneration Report.

2 BOARD APPOINTMENT AND COMPOSITION

It is the Board's policy that there should be a majority of independent, non-executive directors. That is, the majority of directors should be free from any business or other relationship that could materially compromise their independent judgement. As an additional safeguard in preserving independence, the policy requires that the office of Chairman be held by an independent, non-executive director.

Specifically, the Board considers a director to be independent where he or she is not, and was not within the last three years, a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the director's ability to act in the best interests of the Company. The Board will consider the materiality of any given relationship on a case by case basis and has adopted materiality guidelines to assist it in this regard. Under the Board's materiality guidelines, the following interests are regarded as, prima facie, material:

- a holding of 5% or more of the Company's shares; or
- an affiliation with a business which accounts for 5% or more of the revenue or expenses of the Company.

However, ultimately the Board will make a qualitative assessment of any factors or considerations which may, or might reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company. Directors are required to promptly disclose to the Board interests in contracts, other directorships or offices held, possible related party transactions and sales or purchases of the Company's shares. The Board reviews the independence of each director in light of interests disclosed to the Board from time to time and at least once a year. The Board has determined that each of the six non-executive directors satisfy the Board's criteria for independence.

The Board is currently made up of seven directors, the Company's one executive director and six independent non-executive directors. Details of the directors as at the date of this Annual Report, including their terms of office, qualifications and experience, are set out on pages 7-8 of the Annual Report.

In making recommendations to the Board regarding the appointment of directors, the Nomination and Remuneration Committee periodically assesses the appropriate mix of skills, experience and expertise required by the Board and assesses the extent to which the required skills and experience are represented on the Board. Nominations for appointment are then approved by the Board as a whole. New directors are provided with a letter of appointment, setting out the terms of their appointment, including their powers, rights and obligations. An induction program is provided for new members of the Board.

Under the Company's Constitution and the ASX Listing Rules, all directors other than the Chief Executive Officer are subject to shareholder re-election every three years. It is the Board's current policy that, in general, directors do not hold office beyond a maximum term of nine years.

The Company's Constitution requires directors to hold a minimum number of shares in the Company as determined by the Board from time to time, which is currently 500 shares, so that directors' interests are aligned with those of shareholders.

Directors' shareholdings are shown on page 24 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

3 BOARD PROCESSES

The Board currently schedules nine meetings per year. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between the scheduled meetings. During the 2009 financial year, the Board met nineteen times. A significant number of extraordinary meetings were convened to address a number of significant matters that arose during the 2009 financial year, including the extension of the Company's debt facilities and the Company's equity raising which was finalised in May 2009.

The table on page 24 of the Annual Report shows the number of Board meetings held in the 2009 financial year and the attendance of each director.

The agenda for meetings is prepared by the Company Secretary, in conjunction with the Chairman and Chief Executive Officer, with periodic input from the Board. Comprehensive Board papers are distributed to directors in advance of scheduled meetings. Board meetings take place both at the Company's head office and at key operating sites to assist the Board in its understanding of operational issues.

4 BOARD COMMITTEES

To assist the Board in the execution of its responsibilities, the Board has established two standing committees, being the:

- Audit, Business Risk and Compliance Committee; and
- Nomination and Remuneration Committee.

Any issues of corporate governance which are not dealt with specifically by either committee are the responsibility of the full Board.

Each committee operates under a specific charter, both of which can be found on the Company's website at www.pacificbrands.com.au.

The charter of each committee requires each committee to be comprised of a minimum of three non-executive directors, a majority of whom must be independent and, in relation to the Audit, Business Risk and Compliance Committee, chaired by an independent director, other than the Chairman of the Board. The purpose of having all independent directors as members of each committee is to allow the Board to delve more deeply into issues, without formal Board meetings being burdened with discussions of technical compliance and other issues.

4 BOARD COMMITTEES (CONTINUED)

Details of the committee members' qualifications are set out on pages 7-8 of the Annual Report. Further details regarding the two committees are set out in the table below:

	AUDIT, BUSINESS RISK AND COMPLIANCE COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Role and responsibilities	The committee's role is to monitor and review the effectiveness of the Company's controls in the areas of operational and balance sheet risk, legal and regulatory compliance and financial reporting.	The committee is responsible for matters relating to succession planning, recruitment and the appointment and remuneration of directors and the Chief Executive Officer, as well as for other senior executives.
Functions	<ul style="list-style-type: none"> overseeing the adequacy of processes and controls established by senior management to identify and manage areas of potential risk and to safeguard the assets of the Company; overseeing the relationship with the external auditor, auditor independence and the external audit function; evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements; and ensuring that financial information provided to shareholders and the Board is accurate and reliable. 	<ul style="list-style-type: none"> assessing Board composition, strategic function and size (taking into consideration the skills and experience required and the extent to which they are represented on the Board); establishing processes for reviewing the performance of individual non-executive directors, the Board as a whole and the operation of Board committees; overseeing the selection and appointment practices for non-executive directors and senior management of the Company; developing succession plans for the Board and overseeing the development of succession planning in relation to the Chief Executive Officer and senior management; making recommendations to the Board on the Chief Executive Officer's remuneration (including short and long term incentive plans); and reviewing and approving recommendations from the Chief Executive Officer on total levels of remuneration, and performance targets, for senior executives reporting to the Chief Executive Officer.
Members	<ul style="list-style-type: none"> Max Ould (Chair) Andrew Cummins Dominique Fisher James MacKenzie Maureen Plavsic Nora Scheinkestel 	<ul style="list-style-type: none"> Maureen Plavsic (Chair) Andrew Cummins Dominique Fisher James MacKenzie Max Ould Nora Scheinkestel
Composition	The committee is chaired by an independent non-executive director and must comprise of at least three non-executive directors, a majority of whom must be independent. The Chairman of the Board is not permitted to chair the committee.	The committee is chaired by an independent director and must comprise of at least three non-executive directors, a majority of whom must be independent.
Consultation	The Chief Financial and Operating Officer and external auditor have standing invitations to attend committee meetings. Other members of management may also attend by invitation. The committee has access to financial and legal advisers, in accordance with the Board's general policy. The chairman of the committee also meets privately with the auditor to ensure the committee can be satisfied that the auditor has had the full cooperation of management in conducting the audit, and to give the auditor the opportunity to raise any matters of concern.	The Chief Executive Officer and the Group General Manager, Human Resources have standing invitations to attend committee meetings. The committee may obtain information from, and consult with, management and external advisers, as it considers appropriate.
Meetings and attendance	The committee is scheduled to meet four times in the 2010 financial year. The table on page 24 of this statement shows the number of meetings held in the 2009 financial year and the attendance of each member.	The committee is scheduled to meet four times in the 2010 financial year. The table on page 24 of the Annual Report shows the number of meetings held in the 2009 financial year and the attendance of each member.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

5 REVIEW OF BOARD PERFORMANCE

The performance of the Board is reviewed bi-annually by the Board with the assistance of the Nomination and Remuneration Committee and an external adviser. The most recent process of formally reviewing the performance of the Board (including Board committees), commenced in May 2009 and concluded in August 2009.

The evaluation process included a review of:

- the Board's membership;
- Board processes and its committees' effectiveness in supporting the Board; and
- the performance of the Board and its committees.

As part of the 2009 review process, all directors completed a questionnaire and were able to make other comments or raise any issue that they had relating to the Board's or a committee's operation. The results of the questionnaire were compiled by the external adviser and a written report provided which included both a quantitative and qualitative analysis.

In addition, a review of each director's performance is also undertaken prior to a director standing for re-election. In the case of directors, other than the Chairman, the review is undertaken by the Chairman after consultation with the other directors. As the only director standing for re-election at the 2009 Annual General Meeting will be Dr Scheinkestel, who was appointed to the Board in June 2009 to fill a casual vacancy, no review of any individual director's performance occurred in 2009. In the case of the Chairman, a director chosen by the Board for this purpose would review the Chairman's performance. Details about the senior executive performance review process are contained in the Remuneration Report on page 28.

6 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

Each director has the right of access to all relevant Company information and to the Company's senior management, external advisers and auditors. Directors may also seek independent professional advice at the Company's expense. Any director seeking such advice is required to make a formal request to the Chairman. Where the Chairman wishes to seek independent advice, he must make a formal request to the Chair of the Audit, Business Risk and Compliance Committee. Any advice so received must be made available to all other directors. Pursuant to a deed executed by the Company and each director, a director also has the right to have access to all documents which have been presented to meetings of the Board or to any committee of the Board or otherwise made available to the director whilst in office. This right continues for a term of seven years after ceasing to be a director or such longer period as is necessary to determine relevant legal proceedings that commenced during that term.

7 DISCUSSION OF GOVERNANCE POLICIES

The Board has adopted corporate governance policies and practices designed to promote responsible management and conduct of the Company. The Board (together with management) regularly review these policies and practices to ensure the Company maintains or improves its corporate governance standards in a changing environment. A discussion of the Company's key governance policies is set out below.

7.1 Risk management

The Company is committed to the proper identification and management of risk. The Company has in place processes to identify and measure business risk. The Audit, Business Risk and Compliance Committee is charged with oversight of these processes. The committee has adopted a written policy in relation to the Company's risk oversight and management practices and a copy of this policy is available through the Company's website at www.pacificbrands.com.au.

The Board receives regular reports about the financial condition and operational results of the Company. The Board has also received from the Chief Executive Officer and Chief Financial & Operating Officer:

- a declaration that, in their opinion, the Company's financial statements and notes present a true and fair view of the Company's financial position and performance and comply with relevant accounting standards; and
- a written assurance that the above declaration is founded on a sound system of risk management and internal compliance and control and that system is operating effectively in all material respects in relation to financial reporting risks.

The Committee reviews the appropriateness of the framework adopted by the Company for managing operational risk issues and the Company's action plans designed to strengthen and improve risk control practices. In this regard, senior management updates the committee or the full Board on the Company's risk profile and compliance and control systems. Management has also reported to the committee on the effectiveness of the Company's compliance and control systems in the management of material risks. The Committee and the Board also monitors and reviews activities in the Company's material risk areas of taxation, treasury operations, insurance and environment, quality and occupational health and safety.

As part of the Company's risk management framework, comprehensive practices have been established to ensure:

- capital expenditure and leasing commitments above a certain size obtain prior Board approval;
- financial exposures are controlled, including the use of hedging arrangements;
- occupational health and safety standards and management systems ('BrandsSafe') are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel;
- the ethical practices of its suppliers (see section 8 of this statement).

7 DISCUSSION OF GOVERNANCE POLICIES (CONTINUED)

7.1 Risk management (continued)

- financial reporting accuracy and compliance with the financial reporting regulatory framework (see above); and
- environmental regulation compliance (see section 9 of this statement).

The Company has also adopted a code of conduct which sets out the Company's commitment to maintaining the highest level of integrity and ethical standards in all business practices. The code of conduct sets out for all directors, management and employees, the standards of behaviour expected of them, and the steps that should be taken in the event of uncertainty or a suspected breach by a colleague. The code of conduct is discussed in more detail in section 7.4 of this statement.

7.2 Continuous disclosure and keeping shareholders informed

The Company aims to ensure that shareholders are well informed of all major developments affecting the state of affairs of the Company. To achieve this, the Company has implemented the following procedures:

- shareholders can gain access to information about the Company, including media releases, key policies, annual reports and financial accounts, and the terms of reference of the Company's committees through the Company's website at www.pacificbrands.com.au or by writing to the Company Secretary at the Company's registered office address;
- all relevant announcements made to the market and any related information are posted on the Company's website as soon as they have been released to the ASX and New Zealand Stock Exchange ('NZX');
- the Company encourages full participation of shareholders at its Annual General Meeting to ensure a high level of accountability and discussion of the Company's strategy and goals; and
- the Company also invites the external auditor to attend its Annual General Meeting and be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.

The Company's commitment to keeping shareholders fully informed is embodied in the Company's Shareholder Communications Policy, a copy of which can be found on the Company's website at www.pacificbrands.com.au.

The Company is fully aware of the obligations under the Corporations Act 2001, and the ASX and NZX listing rules, to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the Company's securities. The Company has adopted a policy which establishes procedures to ensure that directors and management are aware of, and fulfil their obligations, in relation to the timely disclosure of material price-sensitive information. Information must not be selectively disclosed prior to being announced to the ASX and NZX. Directors and senior management must notify the Company Secretary as soon as they become aware of information that should be considered for release to the market. The Company Secretary is the person responsible for communication with the ASX and NZX. A copy of the Company's Continuous Disclosure Policy may be found on the Company's website at www.pacificbrands.com.au.

7.3 Trading in shares by directors and employees

The Company has adopted guidelines for dealing in securities which provide a summary of prohibited conduct in relation to dealings in securities under the Corporations Act 2001 and the Securities Markets Act 1988 (NZ). The guidelines also establish a best practice procedure in relation to directors', management's and employees' dealings in the Company's shares.

Subject to the overriding restriction that persons may not deal in shares while they are in possession of material price-sensitive information, directors, management and employees will only be permitted to deal in shares during certain 'trading windows', being within 31 days following release of the Company's full and half year financial results and the holding of the Company's Annual General Meeting. Outside of these periods, directors, management and employees must receive clearance from the person stated in the guidelines for any proposed dealing in shares. For New Zealand, any dealing in the Company's shares must receive clearance from the Company Secretary.

Except in circumstances of special hardship, with the Chairman's approval, employees may not buy and sell the Company's shares within a three month period.

A copy of the Company's Guidelines for Dealing in Securities is available on the Company's website at www.pacificbrands.com.au.

7.4 Ethical standards and code of conduct

The Board believes it is important to provide employees with a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. Accordingly, the Company adopted a code of conduct which outlines how the Company expects directors and employees to behave and conduct business in a range of circumstances. In particular, the code requires:

- awareness of, and compliance with, laws and regulations relevant to the Company's operations including environmental laws and the Trade Practices Act 1974 and equivalent overseas legislation;
- all business transactions to be conducted solely in the best interests of the Company and for directors and employees to avoid situations where their personal interest could conflict with interests of the Company or create the appearance of a conflict of interest;
- employees and directors to protect any Company assets under their control and not to use Company assets for personal purposes, without prior Company approval;
- employees and directors to respect the privacy of others and comply with the Company's privacy policy; and
- employees and directors not to disclose or use in any improper manner confidential information about the Company, its customers or affairs.

In addition, the code contains procedures for reporting improper conduct, and how the Company protects whistleblowers. A copy of the code of conduct is available on the Company's website at www.pacificbrands.com.au.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

7 DISCUSSION OF GOVERNANCE POLICIES (CONTINUED)

7.4 Ethical standards and code of conduct (continued)

The Company has extensive dealings with companies based in countries where gift giving has important cultural significance and plays an important role in business relationships. As a consequence, the Company has a policy on the giving and receipt of gifts, a copy of which can be found on the Company's website at www.pacificbrands.com.au. The policy prohibits the giving and acceptance of gifts of a material nature and, in particular, the giving and acceptance of gifts where they are given or offered with the intention to influence business dealings.

Employees are encouraged to bring to the attention of their manager, their Human Resources Manager or members of senior management any behaviour or activity occurring in the business which they believe to be inappropriate or inconsistent with the Company's code of conduct. For those employees who are concerned about directly raising such matters with their superiors, the Company has established a 'freecall' telephone line to enable employees to report matters of concern on a confidential basis. The service, known as 'Faircall', is operated by an independent third party to ensure that calls can be made in total confidence. Callers may also elect to remain anonymous. The third party reports on each call to the Group General Manager, Human Resources. A summary of all calls and the subsequent actions undertaken are periodically reported to the Nomination and Remuneration Committee. Under the provisions of the Company's whistleblower protection policy, any reported improper conduct will be investigated while protecting the confidentiality of the identity of the whistleblower.

The Company also has in place an Occupational Health and Safety Policy which outlines the methods and practices that the Company requires to be observed with the objective of providing a working environment which is free from risk of injury or disease for the Company's employees, visitors and contractors. Occupational health and safety key performance indicators are reported to the Board on a regular basis, to assist the Board in monitoring compliance with the Company's Occupational Health and Safety Policy.

7.5 Remuneration

Full details of the remuneration paid to non-executive and executive directors and the Company's senior executives in relation to the 2009 financial year, as well as the Board policy for determining the nature and amount of remuneration and the relationship between such policy and performance, is discussed in detail in sections 3 and 4 of the Remuneration Report.

7.6 External audit

The Audit, Business Risk and Compliance Committee has also adopted a policy on the provision of non-audit services and the rotation of external audit personnel. Subject to some limited exceptions, unless the committee determines otherwise, the auditor is prohibited from providing valuation and fairness opinions, internal audit services, advice on deal structuring, tax planning advice, IT systems services, executive recruitment services, material human resources functions or legal services or from acting as a broker, promoter or underwriter. The policy also requires the partner managing the Company's audit to be rotated within five years from the date of appointment. A copy of this policy is also available on the Company's website at www.pacificbrands.com.au.

8 CODE OF CONDUCT FOR SUPPLIERS

The Company is committed to ethical and responsible conduct in all of its operations, and respect for the rights of all individuals and the environment. The Company expects these same commitments to be shared by all suppliers of its products and seeks to enforce this policy through a formal code of conduct, which includes:

- not using child labour;
- not using any forced or involuntary labour; and
- providing employees with a safe and healthy workplace in compliance with all applicable laws and regulations.

The Company through external auditors regularly conducts audits of its non-Australasian suppliers and in the event that a supplier is unable or unwilling to achieve compliance, the Company may impose a range of sanctions, depending on the nature of the failure, including terminating the relevant supply contract. Whilst the Company has a strong commitment to social compliance, the Company recognises the practical difficulties in dealing with a large and complex supply chain. The Company adopts a process of continuous improvement with respect to its sourcing of products, with the goal of lifting the standards of our suppliers and achieving best practice over time.

9 ENVIRONMENT

The Company's operations are subject to environmental laws and regulations, the details of which vary depending upon the jurisdiction in which the operation is located. These environmental laws and regulations control the use of land, the erection of buildings and structures on land, the emission of substances to water, land and atmosphere, the emission of noise and odours, the treatment and disposal of waste, and the investigation and remediation of soil and groundwater contamination.

The Company has procedures in place designed to ensure compliance with all environmental regulatory requirements. In particular, the Company has developed a system, known as the 'BrandsSafe Environmental Management System', for identifying and assessing the environmental hazards which arise from its activities and effectively managing those risks by applying sound practices for the prevention of pollution and disposal and minimisation of waste. BrandsSafe is based on international standards AS/NZS ISO 9001 which covers areas such as leadership, process approach and continual improvement. The Company's major environmental impacts and the key programs in place to help reduce the Company's environment impact are discussed on page 14 of the Annual Report.

10 NZX CORPORATE GOVERNANCE RULES

The following statement is included in compliance with NZX Listing Rule 5.1.8(d).

The Company notes that the ASX Corporate Governance Council's Good Corporate Governance Principles Recommendations ('ASX Corporate Governance Rules') may materially differ from NZX's corporate governance rules and principles in the NZX Corporate Governance Best Practice Code. Details of the ASX corporate governance rules are available on the ASX website at www.asx.com.au.

11 ASX CORPORATE GOVERNANCE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

	ASX PRINCIPLE	REFERENCE ¹	COMPLIANCE
Principle 1: Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	1, Remuneration Report	Comply
1.2	Companies should disclose the process for evaluating the performances of senior executives.	1, Remuneration Report	Comply
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	1, Remuneration Report	Comply
Principle 2: Structure the Board to add value			
2.1	A majority of the Board should be independent directors.	2	Comply
2.2	The chair should be an independent director.	2	Comply
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	2	Comply
2.4	The Board should establish a nomination committee.	4	Comply
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	5	Comply
2.6	Companies should provide the information indicated in Guide to reporting on Principle 2.	1, 2, 4, 6, Board members (pages 7 & 8), Directors' Report (page 24)	Comply
Principle 3: Promote ethical and responsible decision making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to the: <ul style="list-style-type: none"> practices necessary to maintain confidence in the Company's integrity; practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	7.4	Comply
3.2	Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.	7.3	Comply
3.3	Companies shall provide the information indicated in Guide to reporting on Principle 3.	7.3, 7.4	Comply
Principle 4: Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	4	Comply
4.2	The audit committee should be structured so that it: <ul style="list-style-type: none"> consists only of non-executive directors; consists of a majority of independent directors; and is chaired by an independent chair, who is not chair of the Board and has at least three members. 	4	Comply
4.3	The audit committee should have a formal charter.	4	Comply
4.4	Companies should provide the information indicated in Guide to reporting on Principle 4.	4	Comply
Principle 5: Make timely and balanced disclosure			
5.1	Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	7.2	Comply
5.2	Companies should provide the information indicated in Guide to reporting on Principle 5.	7.2	Comply

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

11 ASX CORPORATE GOVERNANCE COUNCIL'S CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (CONTINUED)

	ASX PRINCIPLE	REFERENCE ¹	COMPLIANCE
Principle 6: Respect the rights of shareholders			
6.1	Companies should design and disclose a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	7.2	Comply
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	7.2	Comply
Principle 7: Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	7.1	Comply
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	7.1	Comply
7.3	The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that, the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	7.1	Comply
7.4	Companies should provide the information indicated in Guide to reporting on Principle 7.	4, 7.1, 7.6	Comply
Principle 8: Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	4	Comply
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Remuneration Report	Comply
8.3	Companies should provide the information indicated in Guide to reporting on Principle 8.	4, 7.5, Directors' Report page 24 and Remuneration Report	Comply

¹ All references are to sections of this Corporate Governance Statement unless otherwise stated.