



Monday, 12 November 2018

## Corporate Governance Statement and Appendix 4G

In accordance with ASX Listing Rules 4.7 and 4.10.3, attached is a copy of Elders Limited (ASX: ELD) Corporate Governance Statement and completed Appendix 4G, for release to the market.

**Peter Hastings**  
Company Secretary

A man with dark hair, wearing a short-sleeved pink button-down shirt and dark trousers with a brown belt, stands in a paddock. In the background, several brown cows are visible behind a metal fence. The scene is brightly lit, suggesting a sunny day. A white dashed line curves across the top left and bottom right of the image.

# 2018 ELDERS CORPORATE GOVERNANCE STATEMENT

This corporate governance statement summarises the key elements of Elders' governance framework and practices.

Elders Limited ABN 34 004 336 636

The Elders logo, featuring the word "Elders" in a white, cursive font inside a red rectangular box.

*Elders*

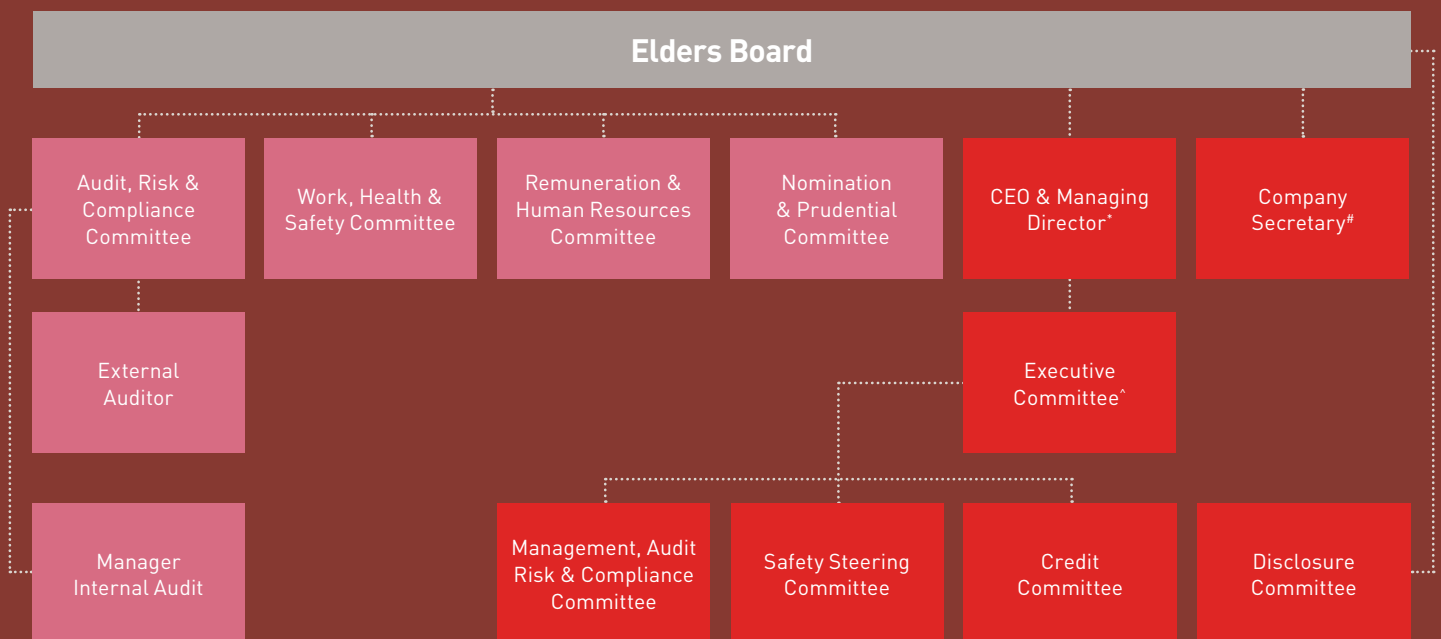
# Corporate Governance Statement

In FY18, Elders has complied with all of the ASX Corporate Governance Council's Principles and Recommendations, 3<sup>rd</sup> Edition (ASX Recommendations). More information on Elders' compliance with the ASX Recommendations can be found in the ASX Listing Rules Appendix 4G that appears on our website at [elders.com.au](http://elders.com.au) in the Corporate Governance section of the Investor Centre (along with other complementary information such as key policies and charters discussed in this governance statement).

This Corporate Governance Statement was approved by the Board on 9 November 2018.

# Our Governance Framework

Our governance framework at a glance is summarized below and discussed further in this statement.



# The Company Secretary is accountable to, and reports directly to the Board.

\* The CEO & Managing Director is responsible for the day-to-day operations and administration as delegated by the Board.

^ The Executive Committee comprises of senior executives and exists to consider and implement the strategic plan as approved by the Board.

# Elders' Values

## **Our five core values are an integral part of the way we do business and set the behavioural expectations of all our employees and the Elders Board.**

The positive behaviour of every person in the business contributes to Elders culture, which in turn contributes to sustained success and growth.

Firmly embedded within our values is our safety culture. Our people are our business, and their health and well-being remains our number one priority. We maintain that nothing is so important that it cannot be done safely.

The Board believes that the tone is set from the top, and maintains regular engagement with senior management to ensure that our values align with the lived culture and what we do in practice. The company's corporate governance framework, as approved by the Board, seeks to inform and guide adherence to our values.

### **Integrity**

Behaving with honesty and integrity in every interaction.

### **Accountability**

Being accountable for results.

### **Customer Focus**

Growing valuable customer relationships, and showing pride and passion in our organisation.

### **Teamwork**

Using the power of the team, and respecting the contribution of every person.

### **Innovation**

Delivering innovation and continuous improvement.

# Board Structure and Operation

## Board responsibilities and delegations

The Board of Elders (Board) is ultimately responsible for the governance of Elders. The key responsibilities of the Board include:

- take a leadership role in setting the culture of Elders that reflects the Company's values;
- formulate collaboratively with management the Company's strategic direction and approve of the strategic plan developed by management;
- oversee management's implementation of strategy and performance of the Company generally;
- approve the half year and full year financial statements and oversee the Company's financial reporting to ASX, ASIC and the Company's shareholders;
- approve the annual operating budget of the Company and monitor performance against that budget;
- approve and monitor the progress of all material acquisitions, divestments, contracts and capital expenditure;
- approve capital raisings (debt or equity), capital reductions, buy-backs and other material corporate actions by the Company;
- consider and make dividend determinations;
- oversee the audit, compliance and resilience (including risk management) policies, frameworks and functions of the Company;
- oversee communication to the Company's shareholders and the investment community and monitor shareholder-relations generally;
- set measurable objectives for diversity of the Company's Board and workforce;
- oversee the Company's employee-relations and ethical, social and environmental behaviour;

- appoint and remove the Chief Executive and determine that person's remuneration (including termination benefits);
- review the performance of the Board as a whole, Board Committees and individual directors;
- compliance with the legal requirements of being a director;
- monitor and assess the performance of the Chief Executive and the Company's executive team; and
- monitor the effectiveness of the Company's governance framework.

The Board has adopted a [Board Charter](#) that, in addition to the above main responsibilities, defines those duties reserved for the Board and its Committees and those that are delegated to the CEO.

The Board delegates responsibility for the day-to-day operation and administration of Elders to the CEO, Mr Mark Allison, and to other employees of Elders. The Board monitors the CEO's performance on an ongoing basis through regular management reporting and through the reporting of the various Board Committees. Elders has in place comprehensive Delegations of Authority under which the CEO and Executive Management operate. The Board regularly reviews the obligations set out in the Board Charter and the Delegations of Authority to ensure they remain appropriate to the needs of Elders.

## The Chairman

The Board Charter requires that the Chairman of the Board be an independent Director and details his or her responsibilities. Having served as a director since June 2008 and Chairman since April 2014, Mr Hutch Ranck, who retires by rotation, has decided to not offer himself for re-election at the 2018 AGM to be held on 13 December. The Board thanks Mr Ranck for his valuable service in guiding Elders through a period of significant financial distress and subsequent turnaround which has seen the Company re-enter the S&P/ASX200 index and positioned the Company for growth.

The Board has elected Mr Michael Carroll as Chairman with effect from the conclusion of the Company's 2018 AGM, subject to Mr Carroll being elected a director by shareholders at that AGM.

The Chairman's role includes:

- providing effective leadership to the Board in all Board matters;
- publicly representing the Board's views to stakeholders;
- promoting effective relations between the Board and management;
- leading the process of review of the performance of the Board, Committees and individual Directors;
- guiding the setting of agenda items and conduct of Board and shareholder meetings; and
- overseeing succession of Non-Executive Directors and the CEO.

## Board Composition

The composition of the Board is determined by [Elders' Constitution](#) and by Board policy, which include the following requirements:

- the number of Directors may not be less than 3 and not more than 8;
- the majority of Directors must be independent Non-Executive Directors;
- the Chairman should be an independent Director; and
- the Board be comprised of Directors who are financially literate and who together have an appropriate mix and depth of skills, experience and knowledge.

In FY18, there were several changes to the Board membership with the retirement of director James Jackson, and election of Non-Executive Director, Diana Eilert at the Company's 2017 AGM, and appointment of new Non-Executive Director Mr Michael Carroll effective from 3 September 2018.

There are currently six Directors on the Board, comprising five Non-Executive Directors and the Managing Director (who is also the CEO). The qualifications, experience, special responsibilities and period of office of each Director can be found on pages 31 to 33 of the 2018 Elders Annual Report.



## Appointment and re-election of Directors

The composition of the Board is reviewed annually (and on retirement of any director) to ensure that the Board has the appropriate mix of expertise and experience.

At each AGM of Elders, Elders will hold Director elections or re-elections in accordance with the following rules:

- each Director (other than the Managing Director) appointed since the last AGM must stand for election;
- each Director (other than the Managing Director) who will, at the conclusion of the meeting, have been in office for 3 or more years and 3 AGMs since they were last elected to office is required to retire and may stand for re-election; and
- if no Director stands for election or re-election under the above two rules, then at least one Director must stand for re-election.

In addition to Mr Ranck who retires by rotation and has decided not to offer himself for re-election, Ms Robyn Clubb is also obliged to retire having been in office for 3 or more years and 3 AGMs since last elected. Ms Clubb has advised the Board that she will offer herself for re-election at the 2018 AGM. The resolution to re-elect Ms Clubb has the unanimous support of the Board. The Board considers Ms Clubb to be an independent director.

The Board Charter prescribes that before a Director is recommended for re-election, the Chairman consults with the other Directors regarding the Director's effectiveness. Based upon the outcome of these consultations, the Board then determines whether or not to recommend the Director for re-election. The Nomination and Prudential Committee assists in this review process.

When a vacancy exists, or when it is considered that the Board would benefit from the services of a new Director with particular skills and experience, the Nomination and Prudential Committee selects candidates with appropriate expertise and experience for consideration by the full Board. The Committee also takes into account the assessment of the candidate under the Fit and Proper Policy criteria and may seek advice from external consultants in selecting candidates for board positions. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

Non-Executive Director Michael Carroll was appointed to the Board on 3 September 2018. In accordance with Elders' Constitution and the ASX Listing Rules, Mr Carroll will stand for election at the 2018 AGM. The Board unanimously supports the election of Mr Carroll and if elected, considers him to be an independent director having satisfactorily completed fitness and propriety testing conducted under the Fit and Proper Policy.

Formal letters of appointment setting out key terms and conditions of appointment are in place for all Directors.

## Elders Director Skills Matrix

### Essential Requirements

The Board considers that each Director must have the following essential personal attributes to be suitable to serve as a Director of Elders:

- High standards of personal integrity and ethical behaviour
- Independence of thought
- Sound judgement and decision making
- Team player
- Good listener
- Strong interpersonal and communication skills
- Active networker
- Available to serve the needs of Elders

### Skills, Knowledge and Experience

The Board recognises that each Director will not necessarily possess experience in all areas relevant to Elders' operations. As a result, the Board seeks to ensure that its membership includes an appropriate mix of Directors with skills, knowledge and experience in core competencies such as agriculture, other relevant industry sectors, general management and finance.

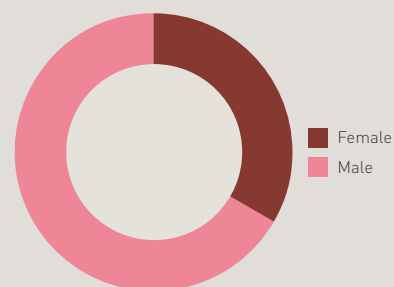
A summary of the Board's skills, knowledge and experience is set out in the table overleaf.

Skills/Knowledge/Experience	No. of Directors <sup>1</sup>				
	1	2	3	4	5
Setting and articulating an organisation's vision and direction	●	●	●	●	●
Strategic thinking/planning	●	●	●	●	●
Previous ASX NED	●	●	●	●	○
People leadership	●	●	●	●	●
Organisational governance	●	●	●	●	●
Accounting & finance expertise	●	●	●	●	●
Financial advisory	●	●	●	●	●
Capital restructuring	●	●	●	●	●
Audit Committee experience	●	●	●	●	●
People & Culture (HR)	●	●	●	●	●
Remuneration Committee experience	●	●	●	●	●
Risk management	●	●	●	●	●
Risk Committee experience	●	●	●	●	●
Workout and turnaround expertise	●	●	●	●	○
Environment, health & safety	●	●	●	●	●
Safety Committee experience	●	●	●	●	●
International markets	●	●	●	○	○
Asian markets	●	●	●	●	○
Agribusiness	●	●	●	●	○
Farmer/producer	●	●	●	○	○
Government relations	●	●	●	●	○
Banking/Insurance	●	●	●	●	○
Legal	●	●	○	○	○
Marketing (including on-line channels)	●	●	●	●	●
Sales (including on-line channels)	●	●	●	●	○
Exporting Premium Produce – networks	●	●	○	○	○
Acquisitions/Mergers transaction experience	●	●	●	●	●
Acquisitions/mergers value extraction experience	●	●	●	●	●
Growth strategies	●	●	●	●	●
Investor/stakeholder relations	●	●	●	●	○
e-Commerce and digital marketing	●	●	●	●	○
Digital technologies and big data	●	●	●	○	○
Real Estate	●	●	●	●	○
Customer relationship management	●	●	●	●	○
Digital and technical services	●	●	○	○	○
Livestock value chain	●	●	●	●	○
Horticulture	●	●	●	●	○
Broadacre crop: farmer perspective	●	●	○	○	○
Broadacre crop: industry perspective	●	●	●	○	○
Cyber security	●	●	○	○	○
Chairman experience (listed company)	●	●	○	○	○

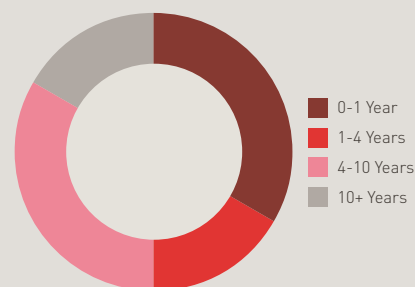
<sup>1</sup> Table excludes new director Mr Michael Carroll. The Board had undertaken the skills matrix review earlier in FY18. That exercise contributed to the subsequent appointment of Mr Carroll.

## Board composition

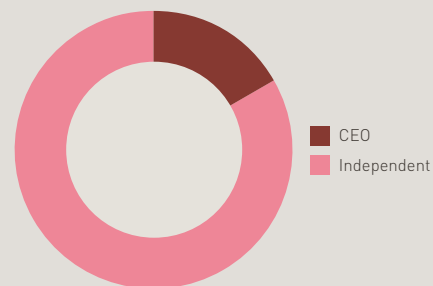
### Diversity



### Tenure



### Independence





## Fit and Proper Policy

Elders continues to maintain and comply with a fitness and propriety regime for its Directors and Senior Executives generally consistent with the standards set by APRA notwithstanding that the Company no longer has any obligations to APRA. The criteria set down in Elders' Fit and Proper Policy are available on Elders' website at [elders.com.au/policies](http://elders.com.au/policies).

The policy undertakes a rigorous assessment process and includes, amongst other things, checks of the person's criminal record and bankruptcy history. It also requires verification of work history, reference checking with relevant professional industry bodies and qualification confirmation with issuing institutions. In addition, the policy requires persons to provide declarations relating to various matters such as material personal interests and external directorships held. The assessment is undertaken with the person's full consent and knowledge. Further, all key management personnel make an annual declaration with respect to their ongoing fitness and propriety.

This process provides Elders with assurance that existing and potential Directors and persons appointed to Senior Executive positions within Elders are able to satisfy appropriate fitness and propriety standards that will enable them to discharge their governance responsibilities. It also serves to protect Elders and the interests of shareholders by minimising risks associated with appointing and employing persons who may not be fit and proper.

## Director Induction and Training

New Directors are given a detailed briefing on key board issues, including appropriate background documentation, coordinated by the Company Secretary and the CEO on the nature of Elders' business and its key drivers. As part of the induction program, new directors are also given the opportunity to meet with key senior management and the external auditor.

Directors undertake training and development on an "as needs" basis. Directors are also regularly briefed on the Group's businesses and on industry, technical and legislative issues impacting the Group. Directors aim to have at least one meeting a year in conjunction with a tour of one of Elders' operations. At all other times, Non-Executive Directors are encouraged to visit Elders' operations.

In FY18, Directors conducted board meetings (outside of its Adelaide head office) in Glenelg, South Australia and Brisbane, Queensland. As in FY17, Directors once again took the opportunity to hold a Board strategy session together with the meetings held in Glenelg. The Queensland visit allowed the Board to interact with the Elders team based at the Brisbane office, prior to conducting a two-day tour of the horticultural industry in Bundaberg. The tour offered invaluable insights into the industry from many established and successful growers in the area and enabled a deeper understanding of the opportunities for Elders to further strengthen its activities in the horticulture segment.

## Director Independence

Elders has a [Director Independence Policy](#) which states that the majority of the Board must comprise independent Directors.

In determining whether or not a Director is considered independent, the Board will have regard to whether the Director:

- is a substantial shareholder in Elders;
- within the last 3 years, has been an employee of Elders, a material adviser to Elders or a principal or employee of any material adviser to Elders;
- is a material supplier to, or a material customer of, Elders;
- is directly or indirectly associated with any of the above persons;
- is otherwise free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of Elders; and
- is of independent character and judgement.

Materiality is assessed on a case-by-case basis, taking a qualitative approach rather than setting strict quantitative thresholds from the perspective of both Elders and the relevant Director.

Each of the current Non-Executive Directors is considered by the Board to be independent.

## Access to Management and Independent Professional Advice

The Chairman of the Audit Risk and Compliance Committee may liaise with Elders' External and Internal Auditors at any time without prior notice to the Chairman and CEO.

All other Directors may seek information from Elders' External and Internal Auditors provided that all such enquiries are first advised to the Chairman and the CEO.

All Directors have complete access to senior management through the Chairman, CEO and Company Secretary at all times.

Directors may obtain independent, professional advice, at Elders' expense, on matters relevant to Elders' affairs to assist them in carrying out their duties as Directors, subject to providing prior notice to the Chairman.

## Board and Director Performance Assessment

The Board reviews its own performance and that of its Committees annually. The Chairman also holds individual discussions with each Director to discuss their performance on a needs basis. The Non-Executive Directors are responsible for evaluating the performance of the CEO, who in turn evaluates the performance of all other Senior Executives. The evaluations are based on specific criteria, including Elders' business performance, whether long-term strategic objectives are being achieved and the attainment of individual performance objectives. The Nomination and Prudential Committee assists in regularly reviewing and making recommendations to the Board on appropriate processes for reviewing the performance of the Board.

The Board periodically undertakes a formal review of the performance of the Board facilitated by an independent consultant with experience in conducting Board performance reviews.

In FY17, the Board utilised an external provider to conduct a review that focused on individual director contribution and overall Board performance.

In FY18, the Board conducted an informal internal performance review which was considered to be an appropriate approach in light of changes to Board membership during the period.

The Board also has a set agenda item at the conclusion of each Board meeting to review the performance and conduct of the meeting, improve meeting efficiency and facilitate an opportunity to reflect on contributions made by directors and presenters.

## Company Secretary

Under the Board Charter, the Company Secretary is accountable to, and reports directly to, the Board (through the Chairman where appropriate) on all governance matters. All Directors have unfettered access to the Company Secretary. Under Elders' Constitution a Company Secretary is appointed by the Directors. Elders also has a joint Company Secretary to serve the Board on occasion when the need arises or when the Company Secretary takes a leave of absence. This ensures that the Board is appropriately supported in governance and administration matters at all times.

Under the Board Charter, the role of the Company Secretary includes:

- advising the Board and its Committees on governance matters;
- monitoring and ensuring that Board policy and procedures are followed;
- co-ordinating preparation and finalization of Board and Committee agendas and briefing materials;
- ensuring that the business at the Board and Committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

## Board meetings

During the financial year, Directors held 19 Board meetings. The attendance of Directors at Board meetings is set out in the Directors' Report on page 50 of the 2018 Elders Annual Report.

Where Directors are unable to attend meetings either in person or by telephone (e.g. if they are overseas) the Chairman or the CEO endeavours to canvass their views on key matters prior to the meeting in order to represent their views at the meeting.

The CFO has a standing invitation to attend all Board meetings. Relevant Senior Executives and Management are invited on occasion to give presentations and inform the Board of important issues and developments within their area of responsibility.

The Chairman sets the agenda for each meeting, in conjunction with the Company Secretary and CEO. All Directors are welcome to suggest to the Chairman that particular items of business be included in the agenda. Standing items at all full scheduled Board meetings include Non-Executive Director only and Non-Executive Director and CEO only sessions, Work Health and Safety, CEO and CFO Reports, declarations of interest, and continuous disclosure. Papers are distributed to all Directors in advance of the meetings.

# Board Committees

## Purpose

To increase the effectiveness of the Board's functioning and to allow the Board to spend additional and more focused time on specific issues, the Board has four standing committees, being the Nomination and Prudential Committee, the Remuneration and Human Resources Committee, the Audit, Risk and Compliance Committee and the Work Health and Safety Committee. The roles and responsibilities of each committee are set out in the Charter for that Committee. These Charters are located in the Investor Centre at [elders.com.au](http://elders.com.au) and are summarized in this report. The Board reviews each Charter annually to ensure ongoing appropriateness to the Company's needs.

## Membership and Attendance

Each of the Board Committees, other than the Nomination and Prudential Committee (which includes the CEO as a member), is comprised solely of independent Non-Executive Directors. The CEO has a standing invitation to attend all Board Committee meetings of which he is not a member – except where the relevant Committee is discussing the CEO's employment arrangements or Non-Executive Director only sessions are being held – and may participate in discussions but has no voting rights. Other Senior Executives are regularly invited to attend Board Committee meetings where the Committee Chairman believes that person's attendance would be useful and relevant.

The members of each Board Committee during the financial year are set out below.

### Committee Membership

	<b>Audit, Risk and Compliance Committee</b>	<b>Remuneration and Human Resources Committee</b>	<b>Nomination and Prudential Committee</b>	<b>Work, Health and Safety Committee</b>
J H Ranck	Member	Member	Chairman	Chairman
M C Allison	–	–	Member	–
I Wilton	Chairman	Member	Member	Member
R Clubb	Member	Chairman	Member	Member
D Eilert	Member	Member	Member	Member
M Carroll	Member	Member	Member	Member

Attendance by Directors at Board and Committee meetings held during the financial year are detailed in the Directors' Report section of the 2018 Elders Annual Report on page 50.

## Board Committee meetings

Board Committee meetings are held at scheduled intervals during the year, with additional meetings convened as required.

The Board Committees are generally scheduled to meet prior to the Board meeting. Following each Committee meeting, the Board receives a report from that Committee Chairman on its deliberations, conclusions and recommendations. Minutes of each Board Committee meeting are formally approved at the subsequent Board Committee meeting. Prior to their approval, draft minutes are circulated to all Committee members for review. As membership on each of the Board Committees currently includes all the Non-Executive Directors, committee minutes are not included separately in Board papers.

Other ad hoc committee meetings are convened as and when required to consider matters of special importance or to aid the efficient functioning of the Board.

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### Audit, Risk and Compliance Committee

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#### The Committee's objectives are to:

- Ensure oversight responsibilities in relation to Elders':
  - financial statements and financial reporting;
  - financial risk management processes, accounting and control systems;
  - internal and external audit arrangements;
  - compliance with legal, regulatory and internal policy requirements; and
  - risk management programs.

#### Must:

- Have at least three Non-Executive Directors;
- Have a majority of independent directors;
- Be chaired by an independent director;
- Have a formal charter approved by the Board

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#### Financial literacy:

At least one member of the Committee is required by the Committee Charter to be a qualified accountant or other financial professional with experience of accounting and financial matters. Mr Wilton, an independent Director, is both a Chartered and a Certified Practising Accountant and Chairman of the Committee since April 2014. Ms Clubb also possesses formal accounting qualifications (being a Chartered Accountant).

Details of the members' qualifications can be found on pages 31 to 33 of the 2018 Elders Annual Report.

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### Remuneration and Human Resources Committee

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#### The Committee's objectives are to:

- ensure appropriate policies and procedures are in place to assess the remuneration levels of the CEO, Executive Management, Elders' employees generally and the Board;
- ensure appropriate policies and procedures are in place to attract and retain the Chairman, Non-Executive Directors, Executive Directors, CEO and Executive Management;
- ensure Elders (which includes all subsidiaries and, as appropriate, associated companies) adopts, monitors and applies appropriate remuneration policies and procedures that align with the creation of shareholder value;
- engage and motivate Directors and Senior Executives to pursue the long-term growth and success of Elders;
- ensure a clear relationship between business performance and the key performance indicators and remuneration of the CEO and Executive Management;
- align executive incentive awards with the creation of shareholder value;
- ensure that Elders' human resources strategy, policies and procedures are appropriate to Elders' needs and clearly designed and executed; and
- to achieve diversity in Elders' workplaces and on the Board and to achieve equal treatment of employees and Directors regardless of sex, race, age, disability, religion, sexual orientation or family responsibilities.

#### Must:

- Have at least three Non-Executive Directors;
- Have a majority of independent directors;
- Be chaired by an independent director;
- Have a formal charter approved by the Board

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#### Policies and practices regarding remuneration:

A summary of Elders' remuneration policies and practices is set out in the Remuneration Report commencing on page 55 of the 2018 Elders Annual Report.

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### Work, Health and Safety Committee

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**The Committee's objectives are to:**

- ensure the appropriate policies and procedures are in place to assist Elders to meet its statutory obligations and the Board's commitment to health and safety;
- ensure appropriate policies, procedures and systems are in place to effectively manage, measure and improve WHS activities; and
- oversee the provision by management of a healthy and safe working environment and culture for all employees, contractors, clients and other visitors to Elders' work premises.

**Must:**

- Have at least three Non-Executive Directors;
- Have a majority of independent directors;
- Have a formal charter approved by the Board

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### Nomination and Prudential Committee

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**The Committee's objectives are to:**

Ensure that Elders has adopted selection, appointment and review practices that result in a board:

- with an effective composition, size, mix of skills, experience and commitment to adequately discharge its responsibilities and duties and add value to Elders and its shareholders;
  - that has a proper understanding of, and competence to deal with, the current and emerging issues of the businesses of Elders; and
  - that can effectively review and challenge the performance of management and exercise independent judgement.
- shareholders and other stakeholders understand and have confidence in Elders' selection, appointment and review practices.

**Must:**

- Have at least three Non-Executive Directors;
- Have a majority of independent directors;
- Be chaired by an independent director;
- Have a formal charter approved by the Board

# Recognising and Managing Risk

The Board reviews its Resilience Policy and Framework annually to assist Elders in achieving its risk management objectives. These include mitigating the risk that Elders' assets are protected against financial loss, business risks are identified and properly managed, legal and regulatory obligations are satisfied and material business risks are reported up to and monitored by the Board.

Under the [Resilience Policy](#), the Board is responsible for oversight of the Resilience Framework, monitoring the effect of uncertainties on Elders' strategic objectives, assessment of management reports on the effectiveness of crisis, risk management and business resilience planning and the effective use of relevant internal control systems.

The Audit, Risk and Compliance Committee is responsible for assessing the effectiveness of internal processes for determining and managing key audit, risk and compliance obligations while the Work Health and Safety is responsible for assessing the effectiveness of internal process for determining and managing key safety risks.

The CEO and Executive Committee are responsible for applying the Resilience Framework and are accountable to the Board for designing, implementing and monitoring the process of crisis, risk management and business resilience planning and integrating these into the day-to-day activities of Elders' business operations.

The Corporate Governance function is responsible for providing integrated crisis, risk management and business resilience planning services to assist Elders people in the execution of their responsibilities under the Resilience Framework.

All Elders' people are responsible for managing risks and business resilience planning in their areas of responsibility.

## Management Audit, Risk and Compliance Committee

The Management Audit, Risk and Compliance Committee (MARCC) meets quarterly and assists the Audit, Risk and Compliance Committee and the Board in the application of Elders' Resilience Policy and monitoring of compliance with that policy.

### Membership

The MARCC comprises the CEO and Executive Committee members and is chaired by the Company Secretary and General Counsel. Specialist support to the MARCC is provided by internal and external experts as required. The MARCC's activities are reported to the Board through the Audit, Risk and Compliance Committee. Minutes of each MARCC meeting record key decisions and are included in the papers to the Audit, Risk and Compliance Committee, once formally approved by the MARCC.

### Responsibilities

The MARCC operates under a Charter and is responsible for:

#### Risk

- (a) Oversight of risk management and resilience activities and practices at Elders;
- (b) Periodically reviewing, monitoring and approving Elders' risk profile, including controls and treatment plans;
- (c) Periodically reviewing and approving Elders' Resilience Policy and Framework for continued relevance to Elders' strategy and operations, and recommending changes to the BARCC for amendment to same if required;
- (d) Considering, and where appropriate, making recommendations to the BARCC with respect to Elders' risk appetite;

- (e) receiving escalation reports which identify material business risks (High risks and above and those with a Severe Maximum Potential Exposure) as required by the Resilience Framework and devising appropriate responses to those risks in conjunction with the risk owners;
- (f) Reviewing and endorsing other business trading charters for submission to the BARCC for approval;
- (g) Periodically reviewing and approving Elders' corporate insurance program;
- (h) Reviewing and monitoring any claims by or against Elders (whether insured or not) seeking damages greater than \$100,000 or otherwise, in the opinion of Elders Head of Legal and Compliance, of significance to the Company;

### Compliance

- (i) Oversight of Elders compliance obligations and internal policies and processes;
- (j) Reviewing and monitoring compliance reporting covering both instances of non-compliance and the effectiveness of the Compliance Management System;
- (k) Periodically reviewing and approving Elders Compliance Policy and Compliance Management Systems for continued relevance to Elders' strategy and operations, and recommending changes to the BARCC for amendment to same if required;

### Audit

- (l) Reviewing and monitoring internal audit report findings, recommendations and responses to specific management requests; and
- (m) Periodically reviewing Elders Internal Audit Charter and Internal Audit Annual Plan for continued relevance to Elders' strategy and operations.

## Tax Risk Management

Elders has in place a Tax Risk Management Policy to ensure the systematic management of the company's tax risks and provide the framework for tax governance. The policy is designed to ensure that tax risk management activities are carried out in accordance with the Elders Resilience Policy and Framework. The policy is reviewed at least every two years and approved by the Audit, Risk and Compliance Committee, and the Board.

### Our Tax Governance Framework



## Financial Risk Management Policy

The Company has a formal Financial Risk Management Policy for management of liquidity and funding, commodity, currency, interest rate and basis risks. The primary objective of this policy is to manage the risk of financial loss to Elders measured in terms of impact on earnings arising from unfavourable movements in the financial and commodity markets.

The Board is provided with reports on compliance with the policy, including on an immediate basis in the case of material breaches. The policy is reviewed annually, and approved by the Audit, Risk and Compliance Committee, and the Board.

## Exposure to Material Economic, Environmental and Social Sustainability Risks

Details of Elders' material business risks and how these are managed are provided on pages 20 and 21 of the 2018 Annual Report.

## Internal Audit Function

The internal audit function operates under a Board-approved charter and has a direct reporting line to the Audit, Risk and Compliance Committee and a functional reporting line through to the Chief Financial Officer. The internal audit function operates under a co-sourced arrangement with KPMG.

The internal audit plan is aligned to Elders' risk profile and approved by the Audit, Risk and Compliance Committee annually, with a three year horizon. Coverage includes four key components, including corporate process, branch compliance program, Australian Financial Services License compliance program and Board and management requests. The results and corresponding management actions and responses arising from these audit activities are reported to the Audit, Risk and Compliance Committee.



## External Audit Independence Policy

Elders has in place a Non-Audit Services Policy that:

- details Elders' position in respect of the key issues which may impair, or appear to impair, external audit independence;
- details the internal procedures implemented to ensure the independence of auditors; and
- establishes a framework that enables the Audit, Risk and Compliance Committee to evaluate compliance with the policy and report to the Board on compliance.

The key principles of the policy are:

- An auditor is not independent if:
  - an employment relationship exists or could be deemed to exist, between Elders and the auditor, its officers or former officers, employees or former employees or certain relatives;
  - a financial relationship exists between the auditor and Elders; and
  - certain non-audit services (including information technology and human resources services) are provided to Elders by the auditor.
- In relation to the provision of other non-audit services the following guidelines must be followed:
  - management must consider the actual, perceived and potential impact upon the independence of external audit prior to engaging external audit to undertake any non-audit service;

- the outsourcing of any internal audit project to the external auditors or the undertaking of any joint internal/external audit review will require prior Audit, Risk and Compliance Committee approval;
- the Audit, Risk and Compliance Committee must consider whether the provision of such non-audit services is compatible with maintaining the external auditor's independence, by obtaining assurance and confirmation that the additional services provided by the external auditor are not in conflict with the audit process. In order to assist with this assessment, management will provide the Audit, Risk and Compliance Committee with details of the amount of non-audit services undertaken by the external auditors as a proportion of all audit and non-audit engagements entered into by the Group for the period; and
- as a general rule, Elders does not utilise external auditors for internal audit purposes or consulting matters, other than services which are in the nature of audit, such as review of tax compliance and acting as independent accountants in connection with prospectuses.

The Audit, Risk and Compliance Committee is responsible for ongoing review of the external audit independence and reports to the Board on the continuing suitability.

## CEO and CFO Certification of Financial Statements

In connection with the financial reports of the Company for the financial year ended 30 September 2018, the Board received from the CEO and the CFO a declaration provided under section 295A of the Corporations Act 2001 stating that, in their opinion:

- the financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- the financial statements, and the notes referred to in paragraph 295(3)(b) of the Corporations Act 2001 comply with the accounting standards;
- the financial statements and notes give a true and fair view of the financial position and performance of the consolidated group;
- the declaration provided is based 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.

## Auditor Attendance at AGM

The Company's external auditor, PricewaterhouseCoopers, will be in attendance at Elders' 2018 AGM to be held on 13 December to answer questions raised by shareholders in connection with the preparation and content of the Auditor's Report, the accounting policies adopted by the company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

# Our Governance Policies

**Our key corporate governance policies are summarized below, and can be found on Elders' website at [elders.com.au](http://elders.com.au)**

## Code of Conduct

The Board has adopted a [code of conduct](#) that details standards for acceptable practices by Elders and Elders People, and the behaviour and responsibilities expected of them. Elders People means all Directors, Employees, Agents, Contractors and Consultants, regardless of seniority, of or to a company in the Elders Group.

The Code exists to ensure that all Elders People act in the best interests of Elders, manage any potential conflicting interests, act in the best interests of their customers and colleagues (absent any conflict with their duties to Elders), ensure all business is undertaken safely, fairly, honestly and ethically, maintain confidentiality, comply with Elders' policies and behave in accordance with the underpinning values of Elders.

The Board is committed to promoting conduct and behaviour that is honest, fair, legal and ethical and respects the rights of Elders' shareholders and other stakeholders, including clients and customers, suppliers, creditors and employees.

The Code of Conduct is reviewed annually to ensure compliance with its legal obligations and ethical principles.

## Whistleblower Policy

The Board has adopted a [Whistleblower Policy](#) to encourage and facilitate disclosure of unacceptable conduct occurring at Elders, including anything unlawful, anything that endangers the public or the financial system and any other misconduct (including any breaches of the Company's Fraud and Anti-Bribery and Corruption policies). The Policy provides mechanisms for reporting (including through a third party provided service which can be anonymous if the whistleblower chooses), investigation and whistleblower protection. The terms of the Company's policy go beyond Elders' current legal obligations in connection with whistleblowing and exceed the obligations set out in the bill currently being considered by the Commonwealth Parliament.

A copy of Elders' Whistleblowing Policy can be found in the Investor Centre at [elders.com.au](http://elders.com.au).

## Fraud and Anti-Bribery and Corruption

Elders does not tolerate any form of fraud, bribery or corruption by any of its people. In order to make the behavioural standards expected of Elders people clear, Elders has both a [Fraud Policy](#) and a Bribery, Financial Inducements and Facilitation Payments Policy. These policies apply to all employees, Directors contractors and agents of Elders.

Elders has a demonstrated history of enforcing these policies through actions in courts and self-reporting to relevant regulators.

Copies of Elders' Fraud Policy and a Bribery, Financial Inducements and Facilitation Payments Policy can be found in the Investor Centre at [elders.com.au](http://elders.com.au).

## Securities Dealing Policy

The Board believes Non-Executive Directors and employees should own Elders' securities to further align their interests with the interests of other shareholders. Details of Directors' shareholdings in Elders can be found in the Directors' Report section on page 45 of the 2018 Elders Annual Report.

Elders' [Securities Dealing Policy](#) prescribes trading windows during which Directors and employees may trade in Elders' securities. Trading windows run for 6 weeks from the day after announcement of Elders' full year results and half year results, 6 weeks from Elders' AGM and for the duration of an offer period of any pro-rata issue of securities by Elders.

Directors or staff must not deal in Elders' securities during any periods other than a trading window or at any time when that staff member or Director is in possession of unpublished information that, if generally available, might materially affect the price of Elders' securities. Prior to dealing in a window, a Director or Senior Executive must seek clearance from the Company Secretary, or if the Company Secretary wishes to trade, the Chairman.

The Securities Dealing Policy also prohibits contractors from trading in Elders' securities if they are in possession of price-sensitive information.

## Non-Executive Director Shareholding Policy

The Board has adopted an internal Non-Executive Director Shareholding Policy to better align the interests of Non-Executive Directors with those of Elders' shareholders. Under this policy, it is strongly recommended that directors maintain a minimum level of share ownership in Elders. This Policy operates subject to compliance with the Securities Dealing Policy and insider trading laws.

Elders takes its obligations to prevent insider trading very seriously. In conformity with that approach, directors take a conservative view of when they can deal in Elders shares (even when trading windows are open), seeking to avoid both the actuality and the perception of trading on inside information. This approach has, in recent times, limited the opportunities for Non-Executive Directors to acquire Elders' shares.

## Shareholder Communication and Engagement

Elders communicates with its shareholders and the investment markets through a number of channels, including the ASX announcements platform and its website. The website is particularly useful in assisting shareholders to easily access information relating to:

- briefings on Elders' developments and events;
- information released to the ASX by way of an announcement;
- information on Elders' share price and dividend payments;
- historical market announcements, annual reports and briefings of half and full year results for a limited number of years; and

The website also allows interested persons to elect to receive ASX and media announcements by e-mail as they are posted on Elders' website.

Shareholders can also access their holding details through the Company's share registry provider, Boardroom Pty Limited. For financial and environmental reasons, the Company encourages shareholders to receive shareholder communications, including dividend statements electronically. In FY18, as part of Elders' drive to provide a more efficient service to its shareholders, Elders has determined that future dividend payments made by Elders to Australian registered holders will be made by direct credit into the shareholder's bank account.

In relation to AGMs, shareholders are given a reasonable opportunity at the meeting to ask questions, or make comments on the management of the Company. If questions cannot be answered at the meeting, the Company will seek to provide a response to the shareholder as soon as possible after the AGM.

Every AGM is delivered by a live webcast and simultaneous teleconference which shareholders can register to view and listen closer to the relevant date of the meeting. Following the meeting, the presentation and audio is then archived and available on the Company's website.

Further engagement with the investment community occurs by way of:

- interaction by senior management with members of the investment community and financial and business media through a variety of forums including results briefings, 'one on one' meetings and discussions; and
- provision of background and technical information to institutional investors, market analysts and the financial and business media to support announcements made to ASX and announcements made about Elders' on-going business activities.

Each of the above means of engagement takes place in the context of Elders' External Disclosure and Market Communications Policy described next in this statement.

## External Disclosure and Market Communications Policy

The Board is committed to timely disclosure of information and communicating effectively with its shareholders. The [External Disclosure and Market Communications Policy](#) implements effective communication strategies to enable timely disclosure of both market sensitive information and other information regarding Elders. This timely disclosure enables both shareholders and prospective new investors to make informed investment decisions. The policy includes processes to ensure that Directors and management are aware of, and fulfil, their obligations.

Under this Policy, Elders has instituted (and monitors) procedures designed to ensure:

- Elders' compliance with continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act 2001. Procedures followed to achieve this include the maintenance of a Disclosure Committee comprised of senior management to consider disclosure issues (where circumstances permit, in conjunction with the Chairman of the Board), the communication of disclosure requirements and procedures to senior management together with procedures to facilitate the timely flow of relevant information to the Disclosure Committee;
- the timely release and dissemination of information (within the requirements of continuous disclosure obligations) necessary for the formation of an informed and balanced view of Elders;
- information disclosed in investor or media briefings is not "market sensitive". If market sensitive information is inadvertently disclosed during a briefing it will immediately be released to the market at large through ASX; and
- that stakeholders have equal opportunity, subject to reasonable means, to access information issued externally by Elders. This is addressed through a broad range of media including Elders' website, audio, audio-visual or slide webcasts of Elders' AGM and full year and half year results briefings (which are announced in advance to the market and also archived and available for viewing or listening on [Elders' website](#)).

Significant investor briefings (other than the AGM and the half and full year result briefings which are webcast and stored as video or audio on [Elders' website](#)) are generally held by recorded telephone conference which requires registration so that attendees' details can be recorded.

Elders generally allows investors to obtain a copy of the transcript or digital audio recording.

The Board is also concerned to ensure that shareholders participate effectively in general meetings and to this end:

- Elders has adopted in all substantial respects the ASX Recommendations for communication with shareholders and improving shareholder participation at general meetings; and
- it is a term of engagement of Elders' external auditors (and required under the Corporations Act 2001) that they attend Elders' AGM and are available to answer questions about the conduct of the audit of Elders, the preparation and content of the auditor's report, the accounting policies adopted by Elders in respect of the relevant reporting period, and their independence in relation to the conduct of the audit.

## Discrimination, Bullying and Harassment

Elders is committed to providing an environment that is free from discrimination, harassment, workplace bullying and victimisation and will not tolerate such behaviour under any circumstance. This commitment extends to a workplace that promotes equal opportunity and fair treatment of staff, contractors, visitors and customers.

The policy defines procedures for reporting, investigating and dealing with complaints.

## Work Health and Safety Policy

Elders is committed to establishing and maintaining a safe work environment. This commitment is set out in our [Work Health and Safety Policy](#). We strongly believe that nothing done in the course of our business operations is so important that it cannot be done safely. An effective safety culture at Elders is a critical and non-negotiable corporate objective. The Board and officers of Elders are committed to continuous improvement of its integrated work health and safety management system, which meets evolving business requirements and provides a safe and healthy environment for employees, contractors, clients and visitors.

Elders maintains a work health and safety management system, inclusive of a comprehensive manual, supporting guidelines, and policies and procedures. This system reflects the risks which we operate with and the requirements of work health and safety legislation. The system is continually monitored and evaluated to ensure its suitability and effectiveness.

A Safety Steering Committee, comprised of Executive Committee Members, meets quarterly pursuant to a formal charter to consider matters relevant to Elders' safety strategy and to review and consider reports from management regarding safety matters. The Board Work Health and Safety Committee receives the minutes of each Safety Steering Committee once they have been formally approved.

At a local level, Elders maintains a number of Safety Action Teams that are responsible for identifying and actioning safety issues in their operational areas. These Safety Action teams report significant risks through Safety team employees to the Safety Steering Committee.

## Diversity Policy

Our [Diversity Policy](#) sets out the key elements of what makes a diverse organisation, and the value derived from embedding diversity across our business practices. The Board reset the diversity objectives from FY17 through to FY21.

Our achievement against these objectives as at 30 September 2018 is detailed below.

		Actual Sep-18
Measurable Objective 1	Increase the representation of women in management positions across the organisation to 25% by 30 September 2021	12%
Measurable Objective 2	Maintain the pipeline of female team leaders above 25%	30%
Measurable Objective 3	Increase the representation of women Non-Executive Director roles to 40% or more by 30 September 2021	40%

## Key Insights

- Currently the total representation of women in management positions is 12%. To achieve the 2021 target, an increase of circa 13 women in management roles per annum is required over the remaining three years.
- There has continued to be a strong representation of women in team leader roles with this category increasing from 28% in FY17 to 30% which well exceeds the objective. To support this objective our graduate and trainee intakes continue to build the capability, experience and confidence of women in the business and supporting their career progression.
- Elders has achieved the target of representation of women in Non-Executive Director roles with two of our five Non-Executive Directors females.

## Moving forward

To support the achievement of these measurable diversity objectives, Elders continues to focus on supporting mechanisms which enable a diverse workforce including:

- Ensuring equal training and development opportunities are provided to females
- Ensuring women are equally represented in talent and succession planning processes
- Highlighting examples of women successfully performing management roles as role models and mentors
- Actively tracking the conversion of female candidates to appointment and retention in role
- Providing various flexible work arrangements and offerings
- Ensuring gender pay equity across the organisation



## Appendix 4G

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

Introduced 01/07/14 Amended 02/11/15

**Name of entity**

ELDERS LIMITED

**ABN / ARBN**

34 004 336 636

**Financial year ended:**

30 September 2018

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

This URL on our website: <http://investors.elderslimited.com/investor-centre/?page=corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 9 November 2018 and has been approved by the board.

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

Date: 9 November 2018

Name of Director or Secretary authorising lodgement: Peter Hastings

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

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

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

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

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

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



## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b> ...information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in the Board Charter at <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b> <input checked="" type="checkbox"/> at this location: <b>1.2(a):</b> Corporate Governance Statement <b>1.2(b):</b> All material information relevant to a decision on whether or not to elect or re-elect a director is found in Elders Notice of Annual General Meeting.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b> <input checked="" type="checkbox"/> in the Board Charter at <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location: <a href="https://elders.com.au/policies/">https://elders.com.au/policies/</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: 'Remuneration Report' section of Elders 2018 Annual Report.</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: 'Remuneration Report' section of Elders 2018 Annual Report.</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR AND</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>2.1(a)(4): Corporate Governance Statement.</p> <p>2.1(a)(5): 'Directors' Report' section of Elders 2018 Annual Report.</p>
<p>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.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location: 'Board of Directors' section of Elders 2018 Annual Report.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b> <input checked="" type="checkbox"/> at this location: <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>4.1(a)(4): 'Board of Directors' section of Elders 2018 Annual Report.</p> <p>4.1(a)(5): 'Directors' Report' section of Elders 2018 Annual Report.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>		
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b></p> <p><input checked="" type="checkbox"/> at this location: <a href="https://elders.com.au/policies/">https://elders.com.au/policies/</a></p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: <a href="http://investors.elderslimited.com/investor-centre/">http://investors.elderslimited.com/investor-centre/</a>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b> <input checked="" type="checkbox"/> at this location:</p> <p>7.1(a)(4): Corporate Governance Statement. 7.1(a)(5): 'Directors' Report' section of Elders 2018 Annual Report.</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location: 'Material Business Risks' section of Elders 2018 Annual Report.</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: <a href="http://investors.elderslimited.com/investor-centre/?page=corporate-governance">http://investors.elderslimited.com/investor-centre/?page=corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><b>8.1(a)(4):</b> Corporate Governance Statement.</p> <p><b>8.1(a)(5):</b> 'Directors' Report' section of Elders 2018 Annual Report.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location: 'Remuneration Report' section of Elders 2018 Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR AND</b></p> <p><input checked="" type="checkbox"/> at this location: <a href="https://elders.com.au/policies/">https://elders.com.au/policies/</a></p>