

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Transfield Services Limited

ABN / ARBN:

69 000 484 417

Financial year ended:

30 June 2015

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

- These pages of our annual report:
- This URL on our website: <http://www.transfieldservices.com/esg/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 25 September 2015 and has been approved by the board.

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

Date: 25 September 2015

Name of Director or Secretary authorising lodgement: Angelique Nesbitt

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

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

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

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

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

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

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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 OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at http://www.transfieldservices.com/pdf/TMD-0000-LE-0002.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 AND <input checked="" type="checkbox"/> at pages 10 and 11 of the 2015 Annual Report.	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at http://www.transfieldservices.com/pdf/TMD-0000-LE-0006.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 OR <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<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</p> <p>http://www.transfieldservices.com/pdf/109327_Equality_and_Diversity_in_the_Workplace_Policy.pdf</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><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input 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><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at the Remuneration Report on pages 40 to 58 of the 2015 Annual Report.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
<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 pages 10 and 11 of the 2015 Annual Report.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<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>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement AND <input checked="" type="checkbox"/> at http://www.transfieldservices.com/pdf/FINAL-COBC_2015_English_280715.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <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 http://www.transfieldservices.com/pdf/TMD-0000-LE-0003.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at pages 10, 11 and 22 of the 2015 Annual Report.</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <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 http://www.transfieldservices.com/pdf/TMD-0000-LE-0003.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at pages 10, 11 and 22 of the 2015 Annual Report.</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<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 <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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 <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 http://www.transfieldservices.com/pdf/TMD-0000-LE-0006.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at page 22 of the 2015 Annual Report.</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at the Remuneration Report on pages 40 to 58 of the 2015 Annual Report.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at</p> <p>http://www.transfieldservices.com/pdf/Share_Trading_Policy_TMC-0000-LE-0002.pdf</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Statement 2015

Corporate governance is the framework of principles, relationships and processes governing the exercise and control of authority within a company. It provides the structure through which a company's objectives are set and the benchmark for monitoring its performance.

The Company's corporate governance framework aims to:

- ensure appropriate accountability
- minimise business risks
- promote ethical conduct
- enhance investor confidence, and
- enhance the overall value of the Company's business.

Transfield Services (the Company) is committed to ensuring that the processes, policies and activities across its business reflect a high standard of governance. Furthermore, the Company continuously monitors governance developments in Australia and internationally to ensure appropriate practices are in place to meet industry and market expectations. During the financial year ending 30 June 2015 (FY2015), the Company updated several of its key policies including the Share Trading, Continuous Disclosure and Communications, Conflicts of Interest, Anti-Bribery and Corruption, Business Partners, Political Involvement and Support, and Investor Relations policies. Additional policy reviews were completed in August 2015 and a refresh of the Constitution of Transfield Services Limited is being tabled for approval at the Annual General Meeting (AGM) in October 2015.

The Company's approach to Corporate Governance

On 27 March 2014, the ASX Corporate Governance Council issued the 3rd edition of its *Corporate Governance Principles and Recommendations* (the Recommendations) which took effect on 1 July 2014. The Company believes its governance practices in FY2015 were consistent with these Recommendations.

The information in this Statement is current as at 25 September 2015 and has been approved by the Board.

The Board

Transfield Services' Board of Directors is responsible for overseeing the Company's performance and strategic direction, with the aim of protecting and enhancing shareholder value. Management is responsible for implementing the Company's strategic objectives, and for carrying out the management and control of the Company's operating activities.

The [Board Charter](#) outlines the Board's role, responsibilities and internal procedures. The overarching responsibilities of the Board include:

- enhancing and protecting the Company's reputation
- reviewing and approving business strategy
- monitoring and overseeing the Company's performance against strategic goals and objectives
- monitoring the identification and management of business risks
- monitoring and approving financial and other reporting, including the Annual Report, financial statements and the appointment of external auditors on recommendation from the Risk Audit and Compliance Committee (RACC)
- ensuring effective governance and legal compliance
- ensuring Board and Board Committee composition is appropriate, and
- making key human resources and remuneration strategy decisions.

The Board meets as frequently as required, but not less than ten times a year.

Delegation of authority

The Board delegates operational authority to the Managing Director and Chief Executive Officer (MD/CEO) subject to specified limits set out in a delegated authority framework. The MD/CEO then sub-delegates specific authority to executives in accordance with delegated authority procedures.

The delegated authority framework reflects the Company's strategy and operating model and sets the foundation for an appropriate risk culture within the Company. The Board reviews the delegated authority framework on an annual basis. Changes to the delegated authority framework in respect of the Company's operating model made in the previous financial year have been successfully embedded in FY2015.

Board composition and independence

The Directors are profiled on pages 10 to 11 of the Annual Report and on the [Company's website](#). The Directors' skills, knowledge, perspective and experience are appropriate to ensure the effective performance of the Company and to address current and emerging industry issues.

The Directors participate in professional development programs to develop and maintain their skills and knowledge to ensure they continue to perform their role as directors effectively.

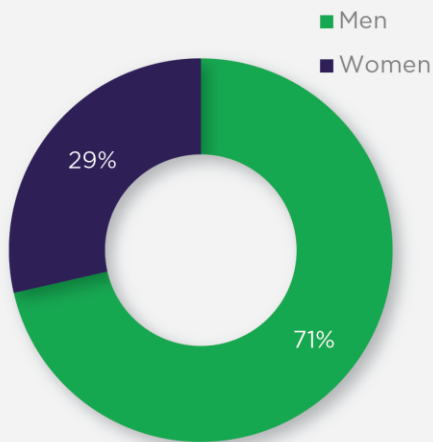
The diagrams on page 3 of the Corporate Governance Statement demonstrate the key skills and diversity of the Board.

As at 30 June 2015, the Board comprised seven Directors – six Non-Executive Directors and the MD/CEO. Each of the Non-Executive Directors is considered independent and free of any business or other relationship that could materially interfere with their exercise of objective and independent judgement. In May 2013, Mr Roy McKelvie ceased his role as CEO of Transfield Holdings Group, which owns Transfield Pty Ltd (a former shareholder of the Company) and is therefore considered to be independent. Mr McKelvie exercises an objective, independent judgement in his capacity as a Director of the Company.

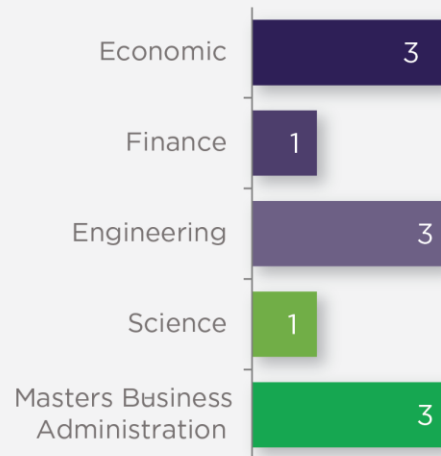
Director independence is assessed by considering applicable laws, rules and regulations, including the Recommendations. The Company considers that where a Director's interest or relationship exceeds a materiality threshold of 10 per cent of revenue, it may be deemed material, depending on the circumstances. The Company reviews Directors' independence on an ongoing basis.

Board Skills Matrix 2015

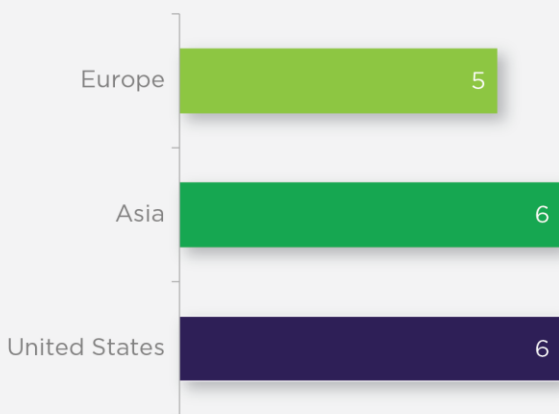
BOARD DIVERSITY



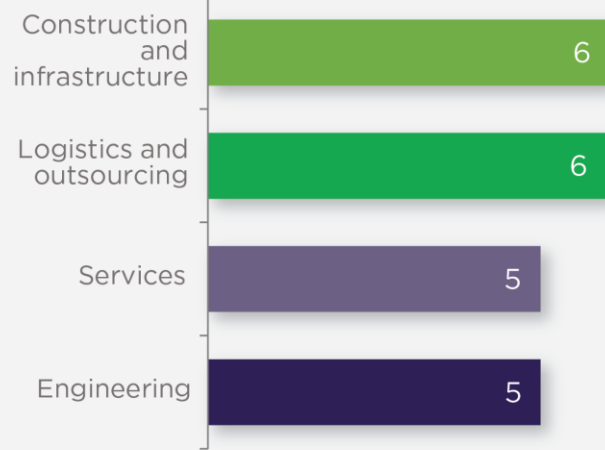
TERTIARY EDUCATION



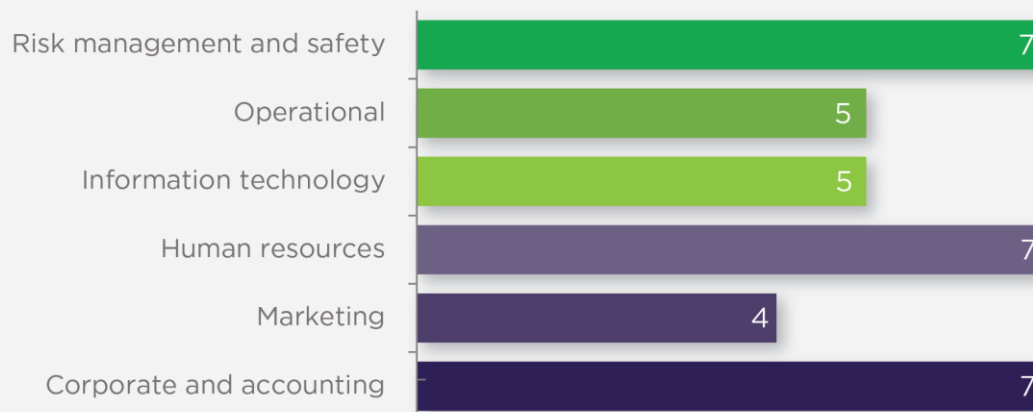
INTERNATIONAL EXPERIENCE




INDUSTRY EXPOSURE



ORGANISATIONAL EXPERIENCE





The Board Charter supports the exercise of independent judgement by requiring the Board to consist of a majority of independent Directors and facilitating access for each Director of the Board, where necessary, to independent, external and professional advice at the Company's expense. Directors also have access to the Executive General Manager (EGM), Communications, Compliance and Group Company Secretary and senior executives for information and support to assist in making informed decisions.

Chairman

The Company's Chairman, Diane Smith-Gander, continues to actively lead the process of Board renewal and Board succession-planning – ensuring the composition of the Board reflects industry and market expectations for responsible governance. During FY2015, Geoffrey Kleemann was appointed as a Non-Executive Director in September 2014 and long-serving Director, Steven Crane retired in February 2015. The Company considers the Chairman to be independent in accordance with the Recommendations.

Company Secretary

The EGM, Communications, Compliance and Group Company Secretary is responsible for advising the Board and Committees on governance matters and is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board.

Directors' terms of appointment and induction

Directors are appointed to the Board on the following terms:

- A third of Directors must retire at every AGM and, if applicable, stand for re-election. A Director must retire no later than the third AGM after which they were last elected.
- Directors will not usually serve more than 10 years except in special circumstances.
- Directors are expected to be available to fulfil their obligations as directors as and when required.
- Directors will comply with the powers and duties of directors set out in the Company's Constitution, Board and Committee Charters and the Corporations Act.

New Directors and senior executives participate in an induction program, which introduces the Company's strategy and structure, as well as its systems, processes and key contacts. Copies of key policies, the Board and Committee Charters, Company Constitution, the delegation of authority and relevant information regarding the Group are provided to new Directors for their reference. New Directors also attend site visits to experience the Company's operations first hand.

Selection and appointment of Directors

The selection and appointment of new Directors, Board succession and related matters are overseen by the full Board. The Board adopted the Protocol on Nominations Matters in August 2014. The guiding principles for the selection and appointment of new Directors and Board performance and evaluation are outlined in the Protocol on Nominations Matters. When reviewing potential Director candidates, the Board considers experience, skills and education, and conducts appropriate background checks enquiring as to good fame and character.

Individual Director selection is framed within the need to deliver an appropriate balance of skills, knowledge and experience to enhance the Board's performance.

Board Committees

The Board may refer its functions to Board Committees to provide support and advice on specific matters. The Committees regularly report and make recommendations to the Board. The Board has established a Risk and Compliance Committee (RACC), a Health, Safety, Environment and Community Committee (HSECC) and a Human Resources Committee (HRC). Each Committee has a charter which governs its function, composition and procedures. The Charters are accessible on the [Company's website](#).

The attendance records of Directors at Committee meetings for the reporting period are included on page 22 of the FY2015 Annual Report.

Details of the functions and composition of each Committee are set out as below.

Functions of Committees		
RACC	HSECC	HRC
Monitors the financial reporting process, and internal and external audit functions for the Company. Oversees management of risks and monitors compliance with laws and governance principles.	Oversees improvement in the Company's health, safety, environment and community performance, the implementation of a robust management framework and the development of an injury and incident free culture.	Monitors and reviews remuneration policies, practices and decisions and ensures key talent and critical workforces are managed to further Company objectives.

Composition of each Board Committee			
Executive Director	RACC	HSECC	HRC
Graeme Hunt	-	Member	-
Non-Executive Directors			
Steven Crane	Chair ¹	-	-
Katherine Hirschfeld	-	Member	Member
Geoffrey Kleemann	Chair ¹	-	Member
Roy McKelvie	Member	-	Member
Dean Pritchard	Member	Chair	-
Douglas Snedden	Member	Member	Chair

¹ Geoffrey Kleemann replaced Steven Crane as Chair of the RACC in February 2015.

Board performance review

In accordance with the Protocol on Nominations Matters, the Board, Committee and Director performance is reviewed prior to 30 June each year. The current practice is to conduct an external review every second year. In the second half of FY2015, an internal Board performance review was undertaken. The review took into account Board leadership dynamics and engagement, individual performance of Directors, and the strategic planning process. The results of the Board evaluation demonstrated the Board and Committees are suitably equipped to meet the challenges facing the business and the current Directors and the Board are performing to a high standard.

Performance evaluation of senior executives

The Chairman evaluates the MD/CEO through the Performance Development Review (PDR) process taking into account input from all non-executive Directors. The PDR is aimed at ensuring that accountabilities, responsibilities and performance are aligned with the future direction of the Company. This process involves objective setting, a mid-year review, a year-end review, as well as a continuous review of performance and development.

The MD/CEO evaluates the senior executive team through the same PDR process.

Senior executives also participate in a Short Term Incentive (STI) Plan. Recent changes to the STI Plan have simplified the operation of the plan and reinforce the pay for performance culture. Further detail can be found in the FY2015 Remuneration Report.

Diversity and inclusion

The Company is committed to creating an inclusive work environment where all employees are recognised and valued for their diverse perspectives and attributes. As an international organisation, the Company's workforce and client base represents a wide range of communities in which the Company works, including (but not limited to) cultural and ethnic backgrounds, gender, age and family circumstances. The Company recognises the benefits of such diversity and is dedicated to sustaining a work environment that not only respects differences, but values and promotes diversity at all levels of the organisation. The Board has established the [Equality and Diversity in the Workplace Policy](#) (the Diversity Policy). In February 2015, the Board adopted a number of objectives and measures to help focus organisational efforts on achieving increased levels of diversity. Some of the key targets set for FY2015 and FY2016 include:

- increasing the percentage of women in the Company's global workforce to 30 per cent
- ensuring there are no pay variances by gender greater than five per cent, and
- equal gender representation of candidates considered for management positions.

These targets are supported by policies and procedures that foster an inclusive workforce, such as the Global Flexibility Policy, which was established in July 2015, enabling and supporting flexible working arrangements.

Post FY2015, the Company launched its third Reconciliation Action Plan (RAP), which achieved Elevate status and details the Company's commitment to changes in its business to strengthen relationships between Indigenous and non-Indigenous people. Some of the key targets established through the new Reconciliation Action Plan include:

- increasing the percentage of Indigenous employees in the Company to 6.5 per cent by 2018
- providing 10 internships per year to Indigenous university students, and
- establishing an Indigenous Youth Council.

The following table profiles the Company's gender diversity statistics as at 30 June 2015.

Description	Female	Male
All employees	24 per cent	76 per cent
Key Management Personnel ¹	25 per cent	75 per cent
Members on the Board	29 per cent	71 per cent

The Company's main business operator, Transfield Services (Australia) Pty Ltd's most recent 'Gender Equality Indicators', as defined in and published under the Workforce Gender Equality Act, can be viewed at www.wgea.gov.au.

¹ MD/CEO direct reports

Code of Business Conduct

The [Code of Business Conduct](#) (the Code) is the Company's reference guide to ethical and responsible conduct. It is aimed at building a workplace culture of integrity, which strengthens the Company's reputation in the market and in the community, and adds to shareholder value. The Code is structured to enhance the Company's core values – Integrity, Collaboration, Challenge and Ingenuity and provides a global standard and reference point to ensure all employees work safely, behave ethically and comply with laws and regulations in every work decision, task and interaction. Furthermore, it promotes specified conduct principles within each of the values, which guide policies, programs and training initiatives across the Group.

The Code applies to all employees, officers, Directors and individuals working as consultants and contractors of the Company and its subsidiaries.

Continuous disclosure

As a listed entity, the Company is required to promptly and accurately inform the market and its shareholders of material information about the Company to ensure that potential and existing shareholders can assess the impact of the information and therefore make informed investment decisions.

The Company's [Continuous Disclosure and Communications Policy](#) was updated in FY2015 and sets out obligations and guidelines for disclosure of material information, pursuant to the Corporations Act and ASX Listing Rules. The Continuous Disclosure and Communications Policy outlines the responsibilities of the Board, senior executives and employees relevant to disclosure.

The Continuous Disclosure and Communications Policy outlines the role of the Continuous Disclosure Committee (CDC). The CDC is responsible for ensuring that appropriate systems and controls are in place to communicate, collect, verify and review potentially material information. The CDC reviews and, where necessary, verifies information, and determines what must be disclosed and when and whether a draft announcement should be forwarded to the Board for review and approval. When the CDC has determined that disclosure to the market is required, the Company will release an ASX announcement.

The CDC consists of the MD/CEO; Chief Financial Officer; EGM, Communications, Compliance and Group Company Secretary; and EGM, Strategy, Markets and Investments – working together to consider relevant factors affecting the Company, such as the performance of the stock market and its peer companies, media and analyst coverage of the Company, and regulatory and legal developments.

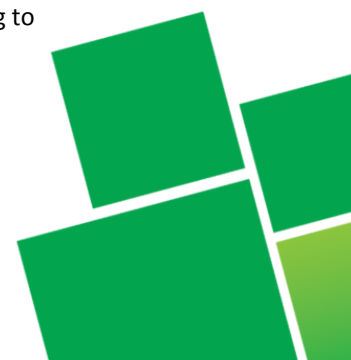
The EGM, Communications, Compliance and Group Company Secretary is responsible for communications with the ASX, including ensuring that the Company's announcements are released to the ASX promptly and in accordance with the Corporations Act and the ASX Listing Rules.

Shareholder communications and investor relations

The Company is committed to ensuring effective communication with its shareholders and the broader investment community to enable them to make informed decisions regarding investing with the Company. The Continuous Disclosure and Communications Policy outlines the major channels through which the Company communicates with shareholders.

All material information is lodged via the ASX Market Announcements Platform pursuant to the continuous disclosure obligation. The Company also keeps the market and shareholders fully and promptly informed of other developments in the business through:

- **Full-year and half-year financial results materials**, including financial accounts, management discussion and analysis documents, presentation slides and webcasts.
- **Analyst or investor briefings, conferences and roadshows**, featuring presentation slides and webcasts.
- **Presentations at industry forums**, outlining the Company's achievements and contributing to discussions on relevant industry trends and developments.



- **Annual General Meetings**, allowing the Company to outline recent developments and strategy, and for shareholders to comment on the Company's management and performance. Shareholders are encouraged to participate at the AGM and are provided the opportunity to ask the Company's Directors and Management questions and provide commentary.
- **The Company's website**, which has a dedicated [News](#) and Investor section, containing copies of ASX announcements, media releases, annual reports, financial statements, corporate governance statements, investor presentations, investor relations timetable and webcasts.
- **Really Simple Syndication (RSS) feeds**, communicating the latest ASX announcements to shareholders via an RSS reader on their computer.
- **Electronic Communications**, allowing shareholders the opportunity to communicate with and receive electronic communications (Annual Reports, newsletters, etc.) from the Company and its Share Registry.

In April 2015, the Company adopted an [Investor Relations Policy](#) (Investor Policy) which sets out its annual investor relations program.

The Investor Relations Policy nominates the EGM, Strategy, Markets and Investments as the central point of contact for all shareholder and investor queries and provides contact details to facilitate effective two-way communication with investors.

Risk management

Management of risk is one of the core responsibilities of the Board. The Board, through the RACC, requires that management design and implement risk management and internal control systems to manage the Company's material business risks, and that management regularly reports to the Board or to the RACC on whether the risks are being managed effectively. The RACC assists the Board by considering risk obligations associated with financial reporting, internal and external audits as well as governance and compliance matters.

The Company believes that effective risk management is an integral part of good business practice. The Company utilises an enterprise-wide risk management framework reflecting the global positioning of the Company. This framework encompasses risk, compliance and internal audit elements.

The RACC reviewed the Company's risk appetite statement in August 2015. Internal reviews have been regularly conducted on the Company's risk management framework and the Company is considering an external review to be conducted during FY2016.

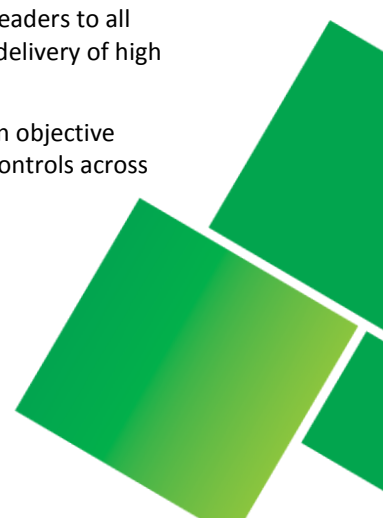
The Company's approach to risk management is in accordance with internationally recognised ISO 31000:2009 Risk Management, which outlines recommended risk management principles and guidelines to implement within an organisation.

Prompted by a changing business environment, business leaders within each sector, service line and support group across the Company's operating model have an elevated accountability for identification and mitigation of business risks.

Corporate support functions, like Finance, Human Resources, Commercial, Health and Safety, Quality and Information Technology, are largely assisted by the Risk group, although these functions have now become more proactive in risk management processes.

The Risk group provides the tools, information, education and support to empower business leaders to all levels of the organisation to effectively recognise and manage risk that may impact upon the delivery of high value services leading to enhanced shareholder value.

The Internal Audit function plays a key role in risk management and mitigation by providing an objective independent appraisal of the effectiveness of, and compliance with, business processes and controls across the Company.



Reporting on risk management

The EGM, Internal Audit and Risk, who reports to the Chief Financial Officer and the Chairman of the RACC reports quarterly to the RACC on the Company's top enterprise risks, the positive and negative influences as well as risk management initiatives being undertaken to effectively manage and reduce risk exposures to acceptable levels. Material findings and recommendations are communicated to the RACC, which then oversees management's response to the recommendations. The Chairman of the RACC reports key risks and their management to the Board.

Financial accounts

In accordance with s295A of the Corporations Act, for the FY2015 half year and full year financial accounts, the MD/CEO and the Chief Financial Officer provided a declaration to the Board that the accounts constituted a true and fair view and are based on an appropriate and effective system of risk management and internal compliance and control.

Material exposure to economic, environmental and social sustainability risks

Risk description	Risk control status
<p>Health and safety risk</p> <p>The Company's global business must operate within appropriate safety controls and procedures to ensure compliance with various regulations, licenses and standards. The Company employs more than 25,000 people globally, which exposes the Company to health and safety risk.</p>	<p>Work health and safety (WHS) risks are managed using a risk management system. This system aims to ensure the Company's commitment to protecting health, safety and wellbeing of all persons involved in and impacted by the conduct of its business.</p> <p>Protocols are in place, which require regular incident reporting to senior executives and the Board.</p>
<p>Reputational risk</p> <p>In order to grow and sustain its business, the Company relies on the strength of its corporate reputation.</p>	<p>Reputation risk is managed via a risk management system and a range of controls, which includes personnel training on the Code. The Company also maintains an external Whistleblower Hotline to assist in identifying and resolving contraventions of the Code.</p> <p>The Company actively engages with the community and invests in local employment and procurement, which is monitored and reported on an annual basis.</p>
<p>Environmental risk</p> <p>As a global company working in diverse sectors and services with over 200 clients, the Company is exposed to a range of environmental risks.</p>	<p>Environmental risks are managed through a risk management system. Environmental incidents are tracked on an ongoing basis, and reported to senior executives on a monthly basis, with significant environmental incidents raised to senior executives on an expedited basis.</p> <p>The Company seeks to engage in sustainable business practices with minimal impact on the environment and surrounding communities.</p>
<p>Market risk</p> <p>The Australian energy, mining and industrial sectors have been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the economy. Consequently, the Company's operations</p>	<p>The Company has a diverse portfolio of contracts across a variety of sectors that mitigates the risk of economic downturn in individual sectors. The Company also strives to provide non-discretionary services to its clients irrespective of the sectors in which it operates, such that the Company is less likely</p>

<p>may be exposed to market fluctuations, and therefore financial impacts, depending on the demand for services from these sectors, in particular, Australian exploration and development activity.</p>	<p>to incur reduced volumes in times of economic uncertainty. The Company's risk tolerance profile is such that exposure to volatile sectors such as exploration and development activity is minimal.</p>
<p>Competition risk</p> <p>The Company's ability to enhance and maintain market share is impacted by the overall competitiveness of the industry.</p>	<p>The Company ensures it has a strong pipeline of opportunities across its large diversified portfolio to enhance market share by competing fairly and ethically. The Company has adopted the Fair Competition Policy to ensure that its participation in competitive activities meets all applicable legal requirements.</p>
<p>Jurisdiction risk</p> <p>The Company operates globally creating inherent risks associated with different business practices, laws and regulations.</p>	<p>The Company's governance process identifies, creates and progresses opportunities in new jurisdictions as part of its strategy to sustain and grow the business. Thorough due diligence and risk analysis is carried out on the jurisdiction and any proposed local partners, to ensure alignment with the Code.</p> <p>Where the decision is made to proceed, regular risk workshops and proactive support from the Company's business units monitoring identify and manage potential risks.</p>
<p>Business Partner risk</p> <p>Activities of a business partner can cause economic social and environmental consequences. Therefore, it is important for the Company to have the right business partner who has similar business practices and values.</p>	<p>Business Partner risk is managed through the Business Partners Policy, which implements operational and corporate controls to ensure the Company collaborates with business partners that act in accordance with the law and demonstrate a high standard of business conduct.</p> <p>The controls require thorough and documented risk-based and proportionate due diligence, communicating the Company's expectations by providing a copy of the Code and related policies, documenting terms of the relationship, obtaining all necessary internal reviews and approvals and monitoring the Partner throughout the Partnership.</p>
<p>Megatrend – Global Ageing Demographic</p> <p>Workplace diversity results in improvements in businesses and economies' performance. The ageing global population is a megatrend that will shape the global economy and society in the coming decades. Due to increasing life expectancy, the Company will be challenged to forge a robust strategy concerning the optimisation of its labour force market and addressing changes to demand demographics.</p>	<p>The Company regularly monitors workplace demographics both within the organisation and the communities in which the Company works, adjusting human resource strategies to meet its employee's needs. The Company is working to ensure that global talent, succession and targeted development processes are embedded across its operations. This assists in mitigating the risks of knowledge and capability loss and provides the Company with key information regarding critical roles and people. The Company invests in apprentices, trainees and graduates, upskilling local communities and ensuring the sustainability of capability for service delivery over the long term.</p> <p>When bidding for work, the availability of core skills</p>

	and capability remain key considerations in the development of the human resource plan and strategy. The recently introduced Flexibility Policy is an example of the Company's strategy to attract, manage and retain diverse talent, particularly those with carer's responsibilities or moving into the later stages of their career.
<p>Megatrend - Climate Change</p> <p>Climate change has the potential to negatively impact the Company's operations from an environmental and regulatory perspective. Potential environmental impacts include heightened weather volatility, changes in rainfall patterns, water scarcity, rising temperatures and rising sea levels. National and international regulatory responses to mitigate climate change have the potential to increase energy costs, alter demand in the fossil fuel markets, and impact on our supplier and customer cost bases.</p>	<p>The Company manages climate change risks through its environmental management system, which establishes resource efficiency and environmental objectives aimed at managing climate change risks relevant to specific operations as well as reducing our energy and greenhouse gas emissions footprint. In addition, the Company complies with existing regulatory mechanisms, such as the National Greenhouse and Energy Reporting scheme, and monitor the potential impacts of additional regulatory constraints where relevant.</p>

External auditor

KPMG was appointed as the Company's external auditor at the 2009 AGM, effective from the beginning of FY2010. The Company requires that the partner be changed within five years of being appointed.

Kevin Leighton was appointed as the lead partner in the second half of FY2015.

The auditor attends the Company's AGM and is available to respond to shareholder questions relevant to the external audit.

Fair and responsible remuneration

The Company aims to remunerate fairly and responsibly by ensuring reward for performance is competitive in the markets where the Company operates and aligning executive reward with shareholders' interests.

The Human Resources Committee (HRC) assists the Board in relation to the fair and efficient management of the Company's remuneration and strategic human resources matters. The HRC reviews, approves and monitors the Company's remuneration and incentive framework to ensure that an equitable balance is maintained to ensure the Company maintains its competitiveness in attracting and maintaining high-calibre resources and ensure a relationship is demonstrated between performance and remuneration. The HRC's functions and responsibilities are detailed in the [HRC Charter](#), which is available on the Company's website. The HRC Charter also details the Company's policy in relation Non-Executive Directors' remuneration.

The Company's principles in relation to Director and senior executive remuneration, and the levels of remuneration, are set out in the Remuneration Report on pages 40 to 58 of the FY2015 Annual Report.

The Company's policy in relation to the prohibition of hedging remuneration that has been disclosed as 'at risk' is contained in the Company's Share Trading Policy.

Other key policies

Share Trading Policy

The Board has adopted a Company [Share Trading Policy](#). The Share Trading Policy restricts securities trading in the Company by certain persons that are deemed, by virtue of their position in or in relationship to the Company, to be in possession of price sensitive information (Designated Persons). Non-Designated Persons are restricted from trading in the Company's securities if they are in possession of price sensitive information or during the Company's blackout periods, which are as detailed in the Company's Share Trading Policy. The Share Trading Policy provides guidance in relation to restricted trading to ensure the reputation of the Company and its employees is not adversely impacted by the perception of dealing with securities at inappropriate times and ensures compliance with insider trading laws and supports market confidence in the integrity of dealing in the Company's securities.

Conflict of Interests Policy

The Company is committed to ensuring that appropriate processes are in place to avoid and manage conflicts of interest. The [Conflicts of Interest Policy](#) provides guidance to the Company's employees, Directors, officers, consultants and contractors in managing actual or perceived conflicts of interest, to comply with legal and regulatory requirements.

Related Parties Transaction Policy

The [Related Party Transactions Policy](#) (RPT Policy) provides guidelines which assist the Company's employees, Directors, officers, consultants and contractors to recognise and report related party transactions to ensure that the Company's shareholders' interests are protected and to ensure that transactions involving related parties are fair, reasonable and consistent. Furthermore, the RPT Policy provides guidance on obligations, including where applicable shareholder approval is required for related party transactions under the Corporations Act and the ASX Listing Rules.

Anti-Bribery and Corruption Policy

The [Anti-Bribery and Corruption Policy](#) provides guidance to the Company's employees, Directors, officers, consultants and contractors to ensure that appropriate guidelines are in place to promote compliance with anti-bribery and corruption laws and promotes the use of legitimate business practices in promoting the Company's position on issues before government authorities and in the marketplace.

Other Policies, which are located on the Company's [website](#) include the Business Partners Policy, Fair Competition Policy, Human Rights Statement, Political Involvement and Support Policy, Whistleblower Policy, Privacy Policy and APP Corporate Independence Policy.

Corporate Governance Statement at www.transfieldservices.com/esg/corporate-governance