

## Appendix 4G

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

Name of entity:

Super Retail Group Limited

ABN / ARBN:

81 108 676 204

Financial year ended:

2 July 2016

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

- These pages of our annual report:
- This URL on our website: [www.superretailgroup.com/investors-and-media/corporate-governance](http://www.superretailgroup.com/investors-and-media/corporate-governance)

The Corporate Governance Statement is accurate and up to date as at 20 August 2015 and has been approved by the board.

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

Date: 25 August 2016

Name of Secretary authorising lodgement:



Robert Dawkins

<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 ...
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: ✓ in our Corporate Governance Statement ... 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): ✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/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: ✓ in our Corporate Governance Statement
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: ✓ in our Corporate Governance Statement
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: ✓ in our Corporate Governance Statement
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): ✓ in our Corporate Governance Statement ... and a copy of our diversity policy or a summary of it: ✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a> ... 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: ✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report ... and the information referred to in paragraphs (c)(1) or (2): ✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>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>✓ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement</p>
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>✓ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement</p>
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,</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 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>✓ in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report</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>✓ 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 ...
2.3	<p>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>✓ in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</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>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</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>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</p>
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a></p>
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>✓ in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement
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.	... our continuous disclosure compliance policy or a summary of it: ✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a>
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: ✓ at <a href="http://www.superretailgroup.com">www.superretailgroup.com</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: ✓ 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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ✓ in our Corporate Governance Statement
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: ✓ 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 ...
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>✓ in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report</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>✓ in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p>✓ in our Corporate Governance Statement</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>✓ 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>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
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,</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 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>✓ in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/corporate-governance">www.superretailgroup.com/investors-and-media/corporate-governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 Annual report</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>✓ at <a href="http://www.superretailgroup.com/investors-and-media/reports-and-publications">www.superretailgroup.com/investors-and-media/reports-and-publications</a> in our 2016 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>✓ in our Corporate Governance Statement</p>

**Super Retail  
Group**



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**CORPORATE GOVERNANCE STATEMENT**

25 August 2016





## ■ CORPORATE GOVERNANCE STATEMENT

### ***Our corporate governance framework***

The following statement sets out the corporate governance framework adopted by the Board of Super Retail Group Limited (the Company). The Corporate Governance Statement was authorised for issue by the Directors on 25 August 2016.

The Board has responsibility for the strategic direction of the Company so as to create value for shareholders and is committed to ensuring that the directors, officers and team members act in the best interests of the Company and its stakeholders. Corporate governance is at the core of the Board's approach, with the application of policies and practices of the highest standards providing a strong foundation for the fulfilment of this responsibility.

The Board has adopted governance arrangements that are consistent with the ASX Corporate Governance Council's Principles and Recommendations (3rd Edition) (ASX Principles). This statement has been formatted with reference to these Principles.

This statement and copies of the Company's policies, charters and codes relevant to corporate governance are available on the Company's website at [www.superretailgroup.com](http://www.superretailgroup.com) in the Investors & Media section. The website is updated as required to ensure that it reflects the most recent governance information.

Details of the main components of the framework are set out in the following pages. These arrangements, unless otherwise stated, were in place throughout the reporting period and are current as of the signing of this report.

An overview of the governance framework:





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## ■ PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

### ***The role of the Board of Directors***

The Board's role is to protect the rights and interests of shareholders and is accountable to them for the management of the business and affairs of the Company. The Board's principal objective is to create value for shareholders while ensuring the Company's activities are properly managed.

The Board has adopted a Board Charter which sets out the manner in which its role, powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance, applicable laws and the interests of all of the Company's stakeholders. The Board Charter was last revised in September 2014. The revision provided clarity of the alignment of the Charter with both the ASX Principles and the Company's governance practices.

The Board's responsibilities include:

- contributing to and approving the Company's strategic direction and objectives, monitoring implementation of those strategies;
- monitoring financial performance of the Company, including adopting annual budgets;
- approving the Company's financial statements and monitoring management processes aimed at ensuring the integrity of financial and other reporting;
- approving major expenditure and capital initiatives, including major capital expenditure, acquisitions and divestures and monitoring capital management;
- approving systems of risk management and internal control, monitoring the effectiveness of systems to identify and appropriately mitigate material business risk;
- appointing and removing the Group Managing Director/Chief Executive Officer (CEO) and the Company Secretary;
- evaluating performance and determining the remuneration of the CEO and Senior Executives;
- approving communications with the Company's shareholders and the community; and
- approving the Company's corporate governance framework, principles and policies and monitoring implementation and effectiveness.

The Board Charter is available on the Company's website.



## The role of Board Committees

Whilst retaining ultimate responsibility for the affairs of the Company, the Board has established three Board Committees to perform certain functions and provide it with recommendations and advice:

- Nomination Committee;
- Audit and Risk Committee; and
- Human Resources and Remuneration Committee;

Each Committee has its own Charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All matters determined by Committees are submitted to the full Board as recommendations for Board decision.

Committee reports are provided by the Committee Chair at the subsequent Board meeting and minutes of committee meetings are tabled at the next following Board meeting. Additional requirements for specific reporting by the Committee to the Board are addressed in the Charter of each Committee.

An overview of Committee responsibilities:



The Charter of each Committee is available on the Company's website.



### ***The role of the Group Managing Director and Chief Executive Officer (CEO)***

Whilst retaining ultimate responsibility for the affairs of the Company, the Board has delegated responsibility for day-to-day management of the Company to the CEO. The CEO is supported in this function by the Senior Executives, which comprise the direct reports to the CEO, including the Managing Directors of the retail divisional and of the Company's international operations; Chief Financial Officer (CFO) and Chief Officers of the Company's Support Services.

The CEO manages the Company in accordance with the strategy, business plans and delegations approved by the Board and is accountable to the Board for the exercise of the delegated authority and, with the support of Senior Executives, must report to the Board through reports and presentations to the Board and its Committees.

The CEO's responsibilities include:

- developing and making recommendations to the Board on business strategies, budgets and policies;
- implementing business plans in accordance with approved strategies, budgets and policies; and
- reporting to the Board on Company performance and key operational issues.

### ***Company Secretary***

The Company Secretary is accountable to the Board, through the Chair, on all governance matters and all Directors have direct access to the Company Secretary.

The Company Secretary is responsible for co-ordination of all Board business including agendas, board papers, minutes, communication with the Australian Securities Exchange (ASX) and statutory filings.

The Board has appointed Mr R W Dawkins as Company Secretary. Details of the experience and qualifications of the Company Secretary are set out in the Directors' Report on page 19 of the 2016 Annual Report.

### ***Diversity Policy***

The Board recognises the many benefits that may be derived by companies that successfully foster a culture of diversity and is committed to creating a fair and inclusive environment. The Diversity Policy was revised having regard for the ASX Principles and adopted by the Board in July 2015. The revision provided clarity of the alignment of the Diversity Policy with both the ASX Principles and the Company's governance practices, including in respect of the requirement for the Board to set measurable objectives for achieving gender diversity and to assess both the objectives and the Company's progress in achieving them.

Information on diversity, including gender diversity is set out on pages 21 to 22 of the 2016 Annual Report.

The Diversity Policy is available on the Company's website.



## **Performance Assessment**

The Board undertakes an annual performance evaluation of the Board, its Committees and individual Directors. The evaluation of the 2015 financial year was completed in September 2015. The evaluation for the 2016 financial year commenced in June 2016 and was completed in September 2016.

The performance review process during the reporting period was comprised of reviews of the Board as a whole, its Committees and its individual Directors. The reviews were based on individual questionnaires completed by each Director and Senior Executives and the one on one discussion between the Chair and each Director. The questionnaire responses and insights from discussions are collated and the Board meets to discuss and consider the results and to determine any actions arising from the review.

Matters covered by the review include the role, structure, procedures, behaviours, performance, Directors' understanding of the strategy, objectives and key risks to the business and achievement of those objectives, succession planning and the effectiveness of the Chair.

## **Evaluation of Senior Executives' Performance**

All Senior Executives receive a letter of appointment which sets out the Company's expectations of the role, their duties, the terms and conditions of their appointment and their remuneration. All Senior Executives receive an induction appropriate to their experience, enabling them to participate fully and actively as soon as possible, including familiarisation with the Company's strategic, financial and operational position.

All Senior Executives complete a performance and development review every six months. The review process is conducted by the CEO and includes the following:

- assessment against a set of key performance criteria, including both financial and non-financial performance measures;
- feedback on their performance over the review period and a rating based on that performance; and
- monitoring and revision as appropriate of the executive's development plan which is tailored to support the executive's ongoing contribution to the Company.

The Managing Director provides a summary of the performance evaluation of Senior Executives to the Human Resources and Remuneration Committee.

The performance evaluation of the Managing Director is completed by the Chairman, in consultation with the Board.

The performance evaluation, in accordance with the aforementioned process, was completed during this reporting period. Additional information is available in the Remuneration Report from pages 26 to 41 of the 2016 Annual Report.



## ■ PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### Composition of the Board

Director	Non-Executive	Executive	Independent	Nomination Committee	Human Resources & Remuneration Committee	Audit and Risk Committee
Robert Wright	Chair		Director	Chair		Member*
Peter Birtles		Director		Member		
Reg Rowe	Director			Member	Member*	
John Skippen	Director		Director	Member	Member	Chair
Sally Pitkin	Director		Director	Member	Chair	Member
Launa Inman	Director		Director	Member	Member*	Member*
Diana Eilert	Director		Director	Member	Member*	Member*

\* Mr Wright resigned as a member of the Audit and Risk Committee following the appointment of Ms Inman & Ms Eilert effective 3 December 2015.

\* Mr Rowe resigned as a member of the HR & R Committee following the appointment of Ms Inman & Ms Eilert effective 3 December 2015.

Details of these Directors' attendance at Board meetings are set out in the Directors' Report on page 27 of the 2016 Annual Report.

The Board has adopted a policy that it shall be composed of a majority of independent, Non-Executive Directors who, with Executive Directors, comprise an appropriate mix of skills, expertise, experience and diversity to meet the Board's responsibilities and objectives.

The Board is comprised of highly experienced business leaders who each meet the fundamental requirements necessary to govern an ASX listed company in the retail industry.

The Company seeks to have a diverse Board which collectively has:

- retail industry knowledge and experience, including customer centricity, supply chain, property, marketing, brand management, acquisitions and international retail markets and trends
- strategic capabilities and commercial acumen
- financial management capability, including accounting or related financial management qualifications
- risk management understanding and experience
- knowledge of corporate governance and compliance in listed entities



- experience in human resource management, including workplace culture, management development and succession, health and safety, diversity, and remuneration
- experience on the boards of other significant listed entities
- experience in incorporating digital into business models, and information technology as an enabler in a retail business, and
- experience in executive leadership

The Board, together with the Nomination Committee, determines the size and composition of the Board, subject to the Company's Constitution. The Constitution of the Company provides that the number of Directors is to be not less than three nor more than eight. The Board is comprised of six Non-Executive Directors and the Managing Director (following the appointment of Ms Inman & Ms Eilert, effective 21 October 2015).

Details of these Directors' experience and expertise are set out in the Directors' Report on pages 14 to 15 and pages 26 to 27 of the 2016 Annual Report.

The Chair is elected from the independent, non-executive Directors.

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the Company's Senior Executives.

The Managing Director is responsible for implementing Group strategies and policies.

### ***Directors' Independence***

A Director is considered to be independent if they are free of any interest or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to exercise independent judgement on issues before the Board and to act in the best interests of the Company and its shareholders generally.

Any Director who considers that they may have a conflict of interest or material interest, other than solely as a consequence of being a Director, in any matter concerning the Company is required to give the Board immediate notice of such interest. The Board regularly reviews the independence of each Non-Executive Director in light of the interests disclosed by them. Any change to a Director's independence status will be reported to the market.

Throughout the reporting period, the Board has adopted the independence criteria detailed in the Board Charter. The criteria has regard for the ASX Corporate Governance Council's Principles and Recommendations (3rd Edition).

With the exception of the Managing Director, Mr P A Birtles, all of the Directors are Non-Executive Directors.

Five of the six Non-Executive Directors are considered to be independent with Mr R A Rowe deemed not to be independent. Additional information regarding Mr R A Rowe's interests is detailed in the Directors' Report and in Note 24 on page 94 to 95 of the 2016 Annual Report.

Mr R J Wright has served as a Director for more than ten years. The Board considers that Mr Wright makes a significant contribution to the work of the Board and that his deep knowledge of the



Company and broad business experience remains especially important. The Board believes that Mr Wright has retained independence of character and judgement and has not formed interests or associations that might compromise his ability to exercise independent judgement or to act in the best interests of the Company.

To the extent that a Director has a conflict of interest, they would not receive Board papers on the relevant matter and would absent themselves from any discussion at the Board meeting in relation to the relevant matter.

The Non-Executive Directors periodically meet without the Managing Director or other management being present.

### **Nomination Committee**

The Nomination Committee is comprised of all Directors and is chaired by independent, Non-Executive Director, Mr R J Wright. The Board is of the view that its current composition is appropriate to enable the Committee to discharge its mandate effectively.

The composition of the Board is reviewed at least annually by the Nomination Committee to ensure that it has available an appropriate mix of skills, expertise and experience to ensure the interests of shareholders are served.

The Company announced that Ms Launa Inman and Ms Diana Eilert were both appointed as Non-Executive Directors effective 21 October 2015

Details of these Directors' qualifications and attendance at Nomination Committee meetings are set out in the Directors' Report on 14 to 15 and pages 26 to 27 of the 2016 Annual Report.

The Nomination Committee Charter details the Company's policy and procedure for selection and appointment of new Directors and re-election of incumbent Directors. The Committee Charter was last revised in July 2016 to increase the quorum from two to three Committee Members and to specify that the Company Secretary shall be the secretary of the Committee.

The election and re-election of a Director is conducted in accordance with the Company's Constitution. This includes the requirements that any Director, other than the CEO:

- who has been appointed during the year must stand for election at the next Annual General Meeting; and
- may not hold office without re-election beyond the third Annual General Meeting following their last election.

The procedure for appointment includes the completion of appropriate background checks, including in regards to the person's character, experience, education, criminal history and bankruptcy to ensure suitability.

The Company provides to shareholders all material information in its possession relevant to the decision on whether or not to elect or re-elect a Director. This information is provided in the Notice of Annual General Meeting/Explanatory Notes.

The Committee Charter is available on the Company's website.





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### **Induction and Education**

New Directors receive a letter of appointment which sets out the Company's expectations of the role, their duties, the terms and conditions of their appointment and their remuneration.

All new Directors receive an induction appropriate to their experience, enabling them to participate fully and actively as soon as possible, including familiarisation with the operation of the Board, the Board's Committees and the Company's financial, strategic, operational and risk management position. This induction includes meetings with the Chair, the Audit and Risk Committee Chair, the Managing Director, divisional Managing Directors and other key Senior Executives.

To assist Directors in maintaining an appropriate level of knowledge of the Company's operations, Directors undertake site visits each year to some of the Company's Support Office, Distribution Centres and/or store operations.

All Directors are expected to maintain the skills required to exercise their responsibilities and discharge their obligations to the Company. Directors are encouraged to undertake continuing education and training and are on an ongoing basis provided with papers and presentations on matters which may affect the business or operations of the Company.

### **Access to Information**

The Directors, the Board and the Board Committees are entitled to seek independent professional advice at the Company's expense as considered necessary, subject to the approval of the Chair or the Board as a whole.

All Directors have access to Company records and may communicate directly with management at any time considered necessary.

## **■ PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

### **Code of Conduct**

The Company has developed a statement of values and a Code of Conduct ("the Code") which has been fully endorsed by the Board and applies to all Directors and team members. The Code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies. Any suspected breach of the Code is investigated accordingly. The Code is supported by the Company's Whistleblowing Policy and system of reporting activity suspected of breaching the Code to the Company's Integrity Officer. The Company's Integrity Officer is also the Company Secretary.

The Code of Conduct is available on the Company's website.



## **Ethical Sourcing Policy**

The Company has developed an Ethical Sourcing Policy that applies to all its businesses and brands.

The policy incorporates both environmental and socioeconomic criteria for all imported products sourced directly or through agents. The policy encourages trade partners and agents to improve their social and environmental practices, and protect our corporate reputation and that of our individual businesses and brands.

## ■ PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### **Audit and Risk Committee**

The Audit and Risk Committee is comprised of independent, Non-Executive Directors and is chaired by independent, non-executive Director, Mr R J Skippen. The Board is of the view that its current composition is appropriate to enable the Committee to discharge its mandate effectively.

Mr R Wright resigned as members of the Audit and Risk Committee concurrent with the appointment of Ms L Inman and Ms D Eilert effective from 3 December 2015.

All members of the Audit and Risk Committee are financially literate and have the requisite financial expertise. Details of these Directors' qualifications and attendance at Audit and Risk Committee meetings are set out in the Directors' Report on 14 to 15 and pages 26 to 27 of the 2016 Annual Report.

The Audit and Risk Committee operates in accordance with its Charter and in a manner compliant with ASX Listing Rule 12.7. In brief, the Committee provides advice and assistance to the Board in fulfilling the Board's responsibilities relating to:

- verifying and safeguarding the integrity of the Company's financial reporting including the review, assessment and approval of the half-year financial report, the annual report and all other financial information published by the Company or released to the market;
- establishing and monitoring a sound system of risk oversight and management and internal control; and
- establishing and monitoring a sound system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems and prescribed internal standards of behaviour.

The CEO, CFO and Company Secretary attend Audit and Risk Committee meetings. The external auditors, internal auditors and other Senior Executives attend Audit and Risk Committee meetings at the invitation of the Committee. The Non-Executive Directors periodically meet the External Auditors without the Managing Director or other management being present.



The Company has policies and processes for addressing these and other compliance areas and the Committee receive management reports accordingly. The Committee monitors and reports to the Board on the responsiveness to Internal Audit reports, findings and any recommendations.

This Committee provides ongoing assurance in the areas of:

- financial administration and reporting;
- audit control and independence;
- accounting policies and standards;
- risk management; and
- regulatory compliance systems.

The Committee Charter is available on the Company's website.

### ***External Auditors***

The Company's Audit and Risk Committee's policy is to appoint External Auditors who demonstrate quality and independence.

The Audit and Risk Committee:

- recommends to the Board the appointment, re-appointment and termination of External Auditors;
- recommends to the Board, the scope and proposed fee for the audit and audit related services
- oversees the scope of reviews and audits conducted;
- reviews the performance of the External Auditors and the quality of audits conducted;
- monitors the interactions between Management and the External auditor and monitors that no Management restrictions are placed upon access by External Auditors to relevant information or personnel; and
- monitors compliance with the Company's Policy on External Auditor Independence.

An analysis of fees paid to the External Auditors, including a break-down of fees for non-audit services is provided in Note 21 on page 93 to the financial statements for the period ended 2 July 2016. It is the policy of the External Auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The External Auditor is required to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

### ***Financial Reporting***

Pursuant to section 295A of the Corporations Act, the Company's financial report preparation and approval process for each financial year involves the CEO and the CFO making the following declarations to the Board that, in their opinion:



- the Company's financial records for the reporting period have been properly kept in accordance with Section 286 of the Corporations Act 2001;
- the financial statements and associated notes comply in all material respects with the accounting standards as required by Section 296 of the Corporations Act 2001; and
- in accordance with Section 297 of the Corporations Act 2001, the Group's financial reports and accompanying notes represent a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant accounting standards. This statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The Group's risk management and internal compliance and control system is operating effectively in all material respects.

The Board has received the declaration in respect of the reporting period.

## ■ PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

### ***Continuous Disclosure***

The Company is committed to maintaining the highest standards of disclosure, providing shareholders and the investment community with the same access to full and accurate information about its activities in an accessible and timely manner.

The Continuous Disclosure Policy has been designed to ensure compliance with ASX Listing Rule disclosure requirements and to embed accountability across all levels of the Company for that compliance. This includes:

- initial disclosure of all market sensitive information on the ASX Market Announcements Platform;
- all briefings and one on one meetings with shareholders and analysts are limited to an explanation of previously published material and general discussion of non-price sensitive information. A register and summary record is maintained for internal use of all issues discussed; and
- periodic and specific disclosure obligations.

The Continuous Disclosure Policy is available on the Company's website.

## ■ PRINCIPLE 6: RESPECT THE RIGHTS SECURITY HOLDERS

### ***Shareholder Communication***

The Company is committed to dealing fairly and openly with shareholders and the investment community.

An overview of the Company's business, including our brands, history and leadership is available on the Company's website.



The Company's Shareholder Communications Policy outlines the Company's approach to effective communication to and from shareholders and other stakeholders through a range of forums and publications. This includes:

- presentations by the Chair and the CEO regarding the Company's activities and state of affairs at the Annual General Meeting with the transcript of these presentations disclosed via the ASX Market Announcements Platform and the Company's website;
- attendance of Directors and the external auditor at the Annual General Meeting (AGM) to answer questions of shareholders as required;
- advanced notification of all major shareholder and analyst briefings; and
- all recent Company announcements, media briefings, press releases, analyst presentations and Annual Reports and information on corporate governance practices are placed on the Company website.

The Company and the Company's security registry facilitate electronic, postal and facsimile communications.

Shareholders are, unless specifically stated in a notice of meeting, eligible to vote on all resolutions. If shareholders are unable to attend the AGM they are able to vote on the proposed motions by appointing a proxy. Online proxy voting is available to shareholders.

The Shareholder Communications Policy and an investor calendar detailing key dates are available on the Company's website.

## ■ PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Company recognises that aspects of our business operate in an environment of uncertainty. The Company is committed to managing the potential risks associated with this uncertainty in a continuous, proactive and systematic way through competent risk management incorporating the integrated application of high quality risk management policies and processes to all facets of our business by all levels of management.

Integrated risk management within the Company constitutes:

- recognising risk management as a business process that is owned by all management;
- requiring its integration into key business processes, including risk based decisions in strategy, business planning and investment setting;
- applying it at all levels of the organisation and across all departments; and
- viewing it as an ongoing process.

The risk management framework (RMF) is an essential component of the Company's corporate governance framework and consideration of strategic risks and the adequacy of the RMF is integral to the development of the Company's strategy and the decision making process for key business initiatives.



The Board reviews the RMF in conjunction with the annual strategic planning process and has regard for the RMF in endorsing the Company's strategic direction and approving the annual Operating and Financial Review.

During this reporting period the Board of Directors reviewed and endorsed the Group Risk Appetite statement. The Group Risk Management Framework was also reviewed and recommendations for improvement has been incorporated in the rolling Group Risk Management Plan and endorsed by the Board.

The identification of longer term strategic risk forms part of the Company's strategy review session in November annually, and is attended by both the Board and the Senior Executives.

The RMF has regard to relevant regulations, standards and guidelines including the ASX Principles and Recommendations and the Australian / New Zealand standard AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*.

Additional information regarding material business risks is set out in the Directors' Report on pages 33 to 34 of the 2016 Annual Report.

The Risk Management Policy is available on the Company's website.

### **Audit and Risk Committee**

The Audit and Risk Committee assists the Board by providing oversight and direction to the Company's risk management, legal compliance and internal control systems, including:

- the implementation and operation of the risk management framework;
- the Company's risk position and risk appetite; and
- risk management strategy.

The Company has policies and processes for addressing the risk management, legal compliance and internal control systems and the Committee receives management reports accordingly.

### **Management**

The CEO and Senior Executives are instructed and empowered by the Board to implement risk management strategies, report to the Board and the Audit and Risk Committee on developments related to risk, and suggest to the Board new and revised strategies for mitigating risk.

The Group Risk Manager is responsible for providing counsel and direction in risk management across the Group. This includes counsel on the refinement, implementation and monitoring of a comprehensive and integrated risk management framework based on unit manager ownership of risk with independent monitoring. The Group Risk Manager reports to the General Manager Strategy and Risk, who directly to the Group's Chief Financial Officer. The Group Risk Manager also has an indirect reporting line to the Chairman of the Audit and Risk Committee.

### **Internal Audit**

The role of Internal Audit as part of the Group's risk management framework is to understand the key risks of the Company and to examine and evaluate the adequacy and effectiveness of the system of risk management and internal controls used by management. Internal Audit carries out



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regular systematic monitoring of control activities and reports to both relevant business unit management and the Audit and Risk Committee.

Typically, the audit methodology includes performing risk assessments of the area under review, undertaking audit tests, including selecting and testing audit samples, reviewing progress made on previously reported audit findings, discussing internal control or compliance issues with line management, and reaching agreement on the actions to be taken.

### ***Financial Reporting***

The Board is provided with monthly reports from management on the financial performance of the Company. The monthly reports include details of all key financial measures reported against budgets approved by the Board.

### ***Health and Safety***

The Company aims to provide and maintain a safe and healthy work environment. The Company acts to meet this commitment by implementing work practices and procedures throughout the Group that comply with the relevant regulations governing the workplace. Team members are expected to take all practical measures to ensure a safe and healthy working environment in keeping with their defined responsibilities and applicable law.

### ***Sustainability***

The Company is committed to achieving profitable and sustainable growth in a manner consistent with our Company values and with our commitment to social and environmental initiatives for the benefit of our team, customers and suppliers, and the communities in which we operate.

The Company has regard for material exposure to economic, environmental and social sustainability risks and addresses such risk, as applicable, in the Operating and Financial Review, as set out in the Directors' Report on pages 33 to 34 of the 2016 Annual Report.

Additional information regarding the Company's approach, strategy and performance are detailed in the Company's Sustainability Report. The Sustainability Report will be published on the Company's website.



## ■ PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

### ***Human Resources and Remuneration Committee***

The Human Resources and Remuneration Committee is comprised of independent, Non-Executive Directors and is chaired by independent, non-executive Director, Dr S A Pitkin. The Board is of the view that its current composition is appropriate to enable the Committee to discharge its mandate effectively.

Mr R Rowe resigned as a member of the human resources and Remuneration Committee concurrent with the appointment of Ms L Inman and Ms D Eilert effective 3 December 2015.

Details of these Directors' qualifications and attendance at Human Resource and Remuneration Committee meetings are set out in the Directors' Report on pages 14 to 15 and pages 26 to 27 of the 2016 Annual Report.

The Human Resources and Remuneration Committee operates in accordance with its Charter, in a manner compliant with ASX Listing Rule 12.8 and as described in the Remuneration Report on page 36 of the 2016 Annual Report. In brief, the Board has charged the Human Resources and Remuneration Committee with corporate governance and oversight responsibilities in relation to the Company's human resources strategy including:

- team member attraction, retention and engagement;
- remuneration policy, including remuneration of the Group Managing Director and Chief Executive Officer and Non-Executive Directors;
- performance management and accountability frameworks;
- development and succession activities;
- diversity policy; and
- diversity and remuneration reporting.

The Committee Charter was last revised in July 2016 to specify that the Chief Human Resources Officer shall be the secretary of the Committee.

The Company has policies and processes for addressing these and other compliance areas and the Committee receive management reports accordingly.

Information on Directors' and key management personnel's remuneration is set out in the Directors' Report under the heading 'Remuneration Report' on pages 35 to 49 of the 2016 Annual Report.

The Committee Charter is available on the Company's website.





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### ***Employee Share Plans***

The Company considers share plans to be an effective ownership, long-term performance and team retention vehicle. It encourages all team members to participate in its schemes, which offer the ability to acquire shares via:

- an externally administered tax exempt plan which makes on-market purchases; and
- an internally administered rights plan offered to select executives.

At the time of this report, approximately 1,030 team members participated in one or both plans.

Additional information regarding share-based payments under the Super Retail Employee Performance Rights Plan is detailed in Note 31 on page 102 to 103 of the 2016 Annual Report.

### ***Dealing in Shares***

The Company has established a policy for Directors and team members with respect to trading in the Company's securities ("Securities Trading Policy"). The Securities Trading Policy was reviewed having regard to ASX Listing Rules Guidance Note 27: Trading Policies and the revised policy was adopted by the Board on 27 July 2015.

Directors, Senior Executives and other designated team members are subject to prohibitions to the trading of Company securities. Generally, this includes the restriction of the trading of Company securities to three "window" periods (between 24 hours and 30 working days following the release of the annual results, the release of the half-yearly results and the close of the Annual General Meeting) and such other times as the Board permits. In addition, Directors must notify the Chair before they buy or sell Company securities and confirm once the transaction is complete.

Consistent with the legal prohibitions on insider trading, in all instances, all persons are prohibited from dealing in Company securities at any time while in possession of price sensitive information not available to the market.

Participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

The ASX is notified of all relevant transactions involving securities conducted by Directors.

The Securities Trading Policy is available on the Company's website.