



Wellard

ASX Announcement

28 October 2016

2016 Corporate Governance Statement and Appendix 4G

In accordance with ASX Listing Rules 4.7.3, 4.7.4 and 4.10.3, attached is Wellard Limited's (ASX:WLD) 2016 Corporate Governance Statement and Appendix 4G.

For further information:

Investors

Managing Director, Mauro Balzarini

Phone: + 61 8 9432 2800

Media

FTI Consulting, Cameron Morse

Phone: + 61 8 9485 8888

Mobile: +61 (0) 433 886 871

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Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Wellard Limited

ABN / ARBN:

53 607 708 190

Financial year ended:

30 June 2016

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

- These pages of our annual report:
- This URL on our website:
www.wellard.com.au

The Corporate Governance Statement is accurate and up to date as at 28 October 2016 and has been approved by the board.

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

Date: 28 October 2016

Name of Director or Secretary authorising lodgement: Michael Silbert

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 on page 6 and 7 under Principle 1 (Lay Solid Foundations for Management and Oversight). ... 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"/> in our Board Charter at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html	
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 on page 7.	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7.	
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 on page 6.	

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
1.5	<p>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 on page 7.</p> <p>... and a copy of our diversity policy or a summary of it: http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7.</p>	<p><input checked="" type="checkbox"/> an explanation why we did not at the end of the reporting period disclose the measurable objectives for achieving gender diversity set by the board or a relevant committee is disclosed on page 7 of the Corporate Governance Statement.</p>
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><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.</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><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.</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 checked="" type="checkbox"/> in our Corporate Governance Statement on page 9 and 10.</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 36 and 44 of the 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><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 10.</p>	
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><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9.</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9.</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 8.</p>	
2.4	<p>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 on page 9.</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
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 9.	
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 7.	
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"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html	

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 on page 9.</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 36 and 44 of the Annual Report.</p>	
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11.</p>	
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 11.</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 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.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html	
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.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12.	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12.	

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 on page 11.</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 36 and 44 of the 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><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 12.</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 on page 12.</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 (b):</p> <p>... 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 checked="" type="checkbox"/> in our Corporate Governance Statement on page 12.</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
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<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"/> at section 5 (page 117) of Wellard's IPO prospectus and page 12 of the 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 on pages 9 and 10.</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> on pages 36 and 44 of the 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><input checked="" type="checkbox"/> on pages 49 and 54 of the Annual Report.</p>	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement on page 13</p>	

Corporate Governance Statement

This statement provides an overview of Wellard's corporate governance framework and key focus areas of the Board and its committees in 2016.

Under ASX Listing Rule 4.10.3, ASX-listed entities are required to benchmark their corporate governance practices against the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**), which have been developed to promote investor confidence and to assist companies in meeting shareholder expectations.

During the 2016 financial year, Wellard's practices were compliant with the ASX Principles, except where noted in the table below.

The table below does not take into account events that occurred after the 2016 financial year, such as Ms Warburton's resignation.

	Corporate Governance Council recommendation	Comply Yes / No	Page Reference
	Principle 1 – Lay solid foundations for management and oversight		Page 6
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.	Yes Yes	
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.	Yes Yes	
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	
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.	Yes	
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 measureable 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 measureable 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: (i) The respective proportions of men and women on the Board, in senior executive positions, and across the	Yes Yes No Yes	

	<p>whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(ii) 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>	n/a
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>Yes</p> <p>Yes</p>
Principle 2 – Structure the board to add value		Page 8
2.1	<p>The Board of a listed entity should have a nomination committee which:</p> <p>a) Has at least three members, a majority of whom are independent directors; and</p> <p>b) Is chaired by an independent director.</p> <p>And should disclose:</p> <p>a) The charter of the committee;</p> <p>b) The members of the committee; and</p> <p>c) 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.</p> <p>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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>n/a</p>
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes
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>Yes</p> <p>Yes</p> <p>Yes</p>
2.4	A majority of the Board of a listed entity should be independent directors.	Yes

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.	Yes
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.	Yes

Principle 3– Act ethically and responsibly

Page 11

3.1	A listed entity should:	
	a) Have a code of conduct for its directors, senior executives and employees; and	Yes
	b) Disclose that code or a summary of it.	Yes

Principle 4 – Safeguard integrity in corporate reporting

Page 11

4.1	The Board of a listed entity should have an audit committee which:	
	a) Has at least three members, all of whom are NED's and a majority of whom are independent directors; and	Yes
	b) Is chaired by an independent director, who is not the chair of the Board.	Yes
	And should disclose:	
	a) The charter of the committee;	Yes
	b) The relevant qualifications and experience of the members of the committee; and	Yes
	c) 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.	Yes
	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.	n/a
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.	Yes
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.	Yes

Principle 5 – Make timely and balanced disclosure

Page 11

5.1	A listed entity should:	
	a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and	Yes
	b) Disclose that policy or a summary of it.	Yes

Principle 6 – Respect the rights of security holders

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6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes
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.	Yes
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.	Yes

Principle 7 – Recognise and manage risk

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7.1	A Board of a listed entity should have a committee or committees to oversee risk, each of which:	
	a) Has at least three members, a majority of whom are independent directors; and	Yes
	b) Is chaired by an independent director.	Yes
	And should disclose:	
	a) The charter of the committee;	Yes
	b) The members of the committee; and	Yes
	c) 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 meeting.	Yes
	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.	n/a
7.2	The Board or a committee of the Board should:	
	a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and	Yes
	b) Disclose, in relation to each reporting period, whether such a review has taken place.	Yes
7.3	A listed entity should disclose:	
	a) If it has an internal audit function, how the function is structured and what role it performs; or	n/a
	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	Yes

	internal control processes.	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes

Principle 8 – Remunerate fairly and responsibly

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8.1	<p>The Board of a listed entity should have a compensation committee which:</p> <p>a) has at least three members, a majority of whom are independent directors; and</p> <p>b) is chaired by an independent director.</p> <p>And should disclose:</p> <p>a) The charter of the committee;</p> <p>b) The members of the committee; and</p> <p>c) 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.</p> <p>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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>n/a</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive and the remuneration of executive directors and other senior executives.	Yes
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>Yes</p> <p>Yes</p>

Governance Overview

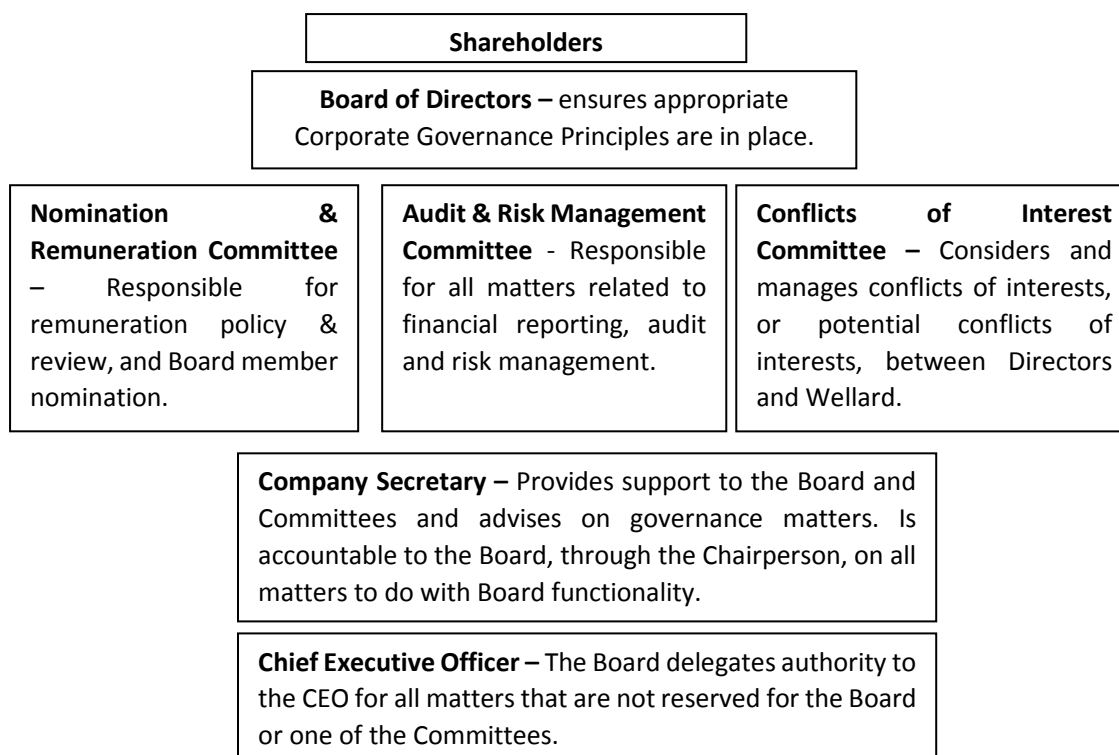
Effective corporate governance is a critical element contributing to the longer term success of Wellard. The Board and all levels of management are committed to a high standard of corporate governance practice and fostering a culture of compliance which values ethical behaviour, personal and corporate integrity, and accountability.

The cornerstone principles of corporate governance at Wellard are:

- **Transparency:** Being clear and unambiguous about the Company’s structure, operations and performance, both externally and internally, and maintaining a genuine dialogue with, and providing insight to, legitimate stakeholders and the market generally.
- **Integrity:** Developing and maintaining a corporate culture committed to ethical behaviour and compliance with the law.

- **Corporate accountability:** Ensuring that there is clarity of decision making within the Company, with processes in place to ensure that the right people have the right authority to make effective and efficient decisions, with appropriate consequences delivered for failures to follow those processes.
- **Stewardship:** Developing and maintaining a company-wide recognition that the Group is managed for the benefit of its shareholders, taking reasonable account of the interests of other legitimate stakeholders.

Below is an illustration of Wellard’s governance framework.



Copies of Wellard’s Board Charter, Committee Charters and other corporate governance documents referred to in this Corporate Governance Statement can also be found in the corporate governance section of the website (<http://www.wellard.com.au/home/additional-information/corporate-governance-policies.html>).

Principle 1: Lay Solid Foundations for Management and Oversight

Role and Responsibility of the Board

The Board is responsible to the shareholders for the performance of the Company. The Board is also responsible for the interests of other stakeholders, including employees, customers, suppliers, Wellard’s creditors, and the wider community. The Board’s focus is to enhance and protect the interests of shareholders and other key stakeholders and to ensure that the Company is properly managed.

The role of the Board is to approve the strategic direction of Wellard, guide & monitor the management of Wellard and its businesses in achieving its strategic plans, and oversee good governance practice.

The Board understands the critical importance of a strong and healthy working relationship between it and the executive management team and works hard to foster and grow that relationship.

The CEO has responsibility for the day-to-day management of the Group. However, the ultimate responsibility for governance and strategy rests with the Directors. The Board and its Committees specifically reserve certain matters for its decision. It delegates authority for all other matters that are necessary for the management of Wellard’s business to management through the CEO, within authority limits approved from time to time.

The Board Charter sets out the Board’s role and responsibilities and describes those matters expressly reserved for the Board and those matters delegated to management through the CEO.

The responsibilities reserved by the Board for its decision include:

- Appointing the Chair and CEO.
- Setting and monitoring strategic objectives.
- Approving and monitoring strategic and financial plans.
- Approving and monitoring annual budgets and business plans.
- Approving and monitoring major capital expenditure, capital management and all major corporate transactions, including the issue of securities.
- Approving financial reports and material external communications and reports in accordance with Wellard's continuous disclosure policy.
- Overseeing the integrity of accounting and corporate reporting systems, including the external audit.
- Appointing, re-appointing and removing external auditors and approving the auditor's remuneration, upon recommendation from the Audit, Risk and Compliance Committee.
- Determining dividend policy.

The Board Charter sets out the delegated authority of the CEO. The CEO remains accountable to the Board through those delegations for the performance of the Company. Whilst the CEO remains accountable to the Board, he is free to make whatever decisions he believes are appropriate for the business within the boundaries established by the Board. A key focus of Board meetings is the CEO Report where the decisions of the CEO are monitored by the Board.

Director Election/ Re-election

New Directors are provided with a formal letter of appointment which sets out the terms and conditions of their appointment including their duties, rights and responsibilities. Prior to the appointment of a new Director, appropriate checks are undertaken in relation to the candidate's character, experience, education, criminal record and bankruptcy history.

Wellard has also established an induction procedure for new Directors to enable them to make contributions to the Board's decision making.

Wellard provides shareholders, in the relevant notice of meeting, with all material information in its possession relevant to their decision whether or not to elect or re-elect a director.

Diversity

Wellard values diversity in all aspects of its business and is committed to creating a working environment which is inclusive of all people regardless of their differences. Wellard recognises that diversity enhances productivity, retention, creativeness and balance which in turn helps create sustainable shareholder value. We believe diversity will provide a more dynamic and enjoyable work environment for our people and through varied thinking styles and experiences, this can create new opportunities for Wellard.

Through its Diversity Policy, Wellard is committed to maintaining a diverse workforce and to create a workplace that is fair and inclusive, applies fair and equitable employment practices and provides a working environment that will allow all employees to reach their full potential. Diversity incorporates a number of factors, including gender, marital or family status, sexual orientation, age, race, cultural background and ethnicity, religious or political affiliations or opinions, family responsibilities and disability.

The Board did not set any measureable objectives for achieving gender diversity during the 2016 financial year. This was due to a busy transition period for the Company, transitioning from a private company to a publicly listed company, as well as challenging market conditions.

Details of female representation as at 1 October 2016 at Wellard are set out below:

- Total Workforce 25.63%
- Board of Directors 0%

- Executive Management 11.1%
- Senior Management 22.22%
- Management 23.07%

Performance Evaluation

The Nomination and Remuneration Committee is responsible for scheduling formal performance reviews of the Board and its committees every financial year. The Committee then makes a recommendation to the Board, which then undertakes an evaluation process to review its performance. The Board and the Nomination and Remuneration Committee reviews performance against performance indicators relating to key areas of the business (such as financial, operational, animal welfare and occupational health and safety). An informal performance review was conducting during the financial year.

The Managing Director is responsible for assessing the performance of the Executive Management Team on an annual basis by measuring performance against key performance indicators. An informal performance review of key executives was conducted during the financial year.

Principle 2: Structure the Board to add value

Composition of the Board

Wellard is committed to ensuring that the composition of the Board continues to include directors who bring an appropriate mix of skills, experience, expertise and diversity to Board decision-making.

Under the Company's Constitution, the Board must have a minimum of three and a maximum of seven directors. No director, other than a Managing Director, may retain office without re-election for more than three years or past the third annual general meeting following the director's appointment, whichever is the longer. Additionally, any new director, with the exception of the Managing Director, appointed by the Board must retire and seek re-election at the next annual general meeting.

During the 2016 financial year, the Board was comprised of five Directors, three of whom were non-executive independent Directors. The Directors of Wellard during the 2016 financial were:

Director	Appointment Date	Qualifications
David Griffiths Non-executive Chairman	19 November 2015	Refer to Section 2 of the Directors Report contained in the Annual Report.
Mauro Balzarini CEO & Managing Director	10 September 2015	Refer to Section 2 of the Directors Report contained in the Annual Report.
Greg Wheeler Non-executive Director ¹	10 September 2015	Refer to Section 2 of the Directors Report contained in the Annual Report.
Sharon Warburton Non-executive Director ²	19 November 2015	Refer to Section 2 of the Directors Report contained in the Annual Report.
Philip Clausius Non-executive Director	19 November 2015	Refer to Section 2 of the Directors Report contained in the Annual Report.

1. Mr Wheeler served as Executive Finance Director from 10 September 2015 until 11 July 2016 until he moved to the role of Non-Executive Director.
2. Ms Warburton subsequently resigned as Director on 26 August 2016.

Following Ms Warburton's resignation on 26 August 2016, the Board is currently not comprised of a majority of independent Directors. The Board and Nomination and Remuneration Committee are currently searching for a suitable candidate to replace Ms Warburton.

Director Independence

Chairman

The Chairman is elected from the independent non-executive directors. The responsibilities of the Chairman are set out in the Board Charter. Mr David Griffiths is the present serving Chairman.

Directors

Directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement, having regard to the best interests of the company as a whole.

The Board regularly assesses and determines the independent status of each Director by taking into account the interests and information disclosed by each Director, including whether the Director:

- is a substantial shareholder of Wellard (holding a relevant interest in more than 5% of Wellard shares) or is otherwise directly associated with a substantial shareholder of Wellard;
- is employed, or has previously been employed in an executive capacity by Wellard or its subsidiaries, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a material professional adviser or consultant of Wellard;
- is a material supplier or customer of Wellard or is otherwise associated such parties;
- has a material contractual relationship with Wellard other than as a Director; or
- has been a Director for such a period that his or her independence may be compromised.

In accordance with the guidelines above, the Board considers that Mr Griffiths, Mr Clausius and Ms Warburton were all independent Directors during the financial year.

The Board considers Mr Balzarini and Mr Wheeler to be non-independent.

During the 2016 financial year, the Board was comprised of a majority of Independent Directors. Following Ms Warburton's resignation on 26 August 2016, the Board is not comprised of a majority of Independent Directors, with 50% of the Directors being classified as independent. Wellard is currently looking for suitable candidates to replace Ms Warburton's vacancy.

All Board committees are comprised only of non-executive Directors and each Chair of each committee or subcommittee is an independent Director.

Directors' Attendance at Meetings

For full details of each Director's attendance at Board meetings and Committee meetings during the 2016 financial year please refer to section 6 of the Directors Report contained in Wellard's Annual Report.

Nomination & Remuneration Committee

Wellard is committed to ensuring that the composition of the Board continues to comprise Directors who bring an appropriate mix of skills, experience, expertise and diversity to effectively govern Wellard's business.

The Board has established a Nomination & Remuneration Committee, which is responsible for:

- ensuring that the Board has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively;
- reviewing Board succession plans and working with the Chairman in evaluating performance of the Board and CEO; and
- setting the level and composition of remuneration for Directors and senior executives.

The Nomination & Remuneration Committee was comprised of three independent Non-executive Directors during the 2016 financial year, being Mr Griffiths, Mr Clausius and Ms Warburton. After Ms Warburton's resignation on 26 August 2016, the Committee only comprises two independent Non-executive Directors. Wellard is currently looking for suitable candidates to replace Ms Warburton's vacancy.

The Remuneration and Nomination Committee met once during the 2016 financial year with all members attending the meeting.

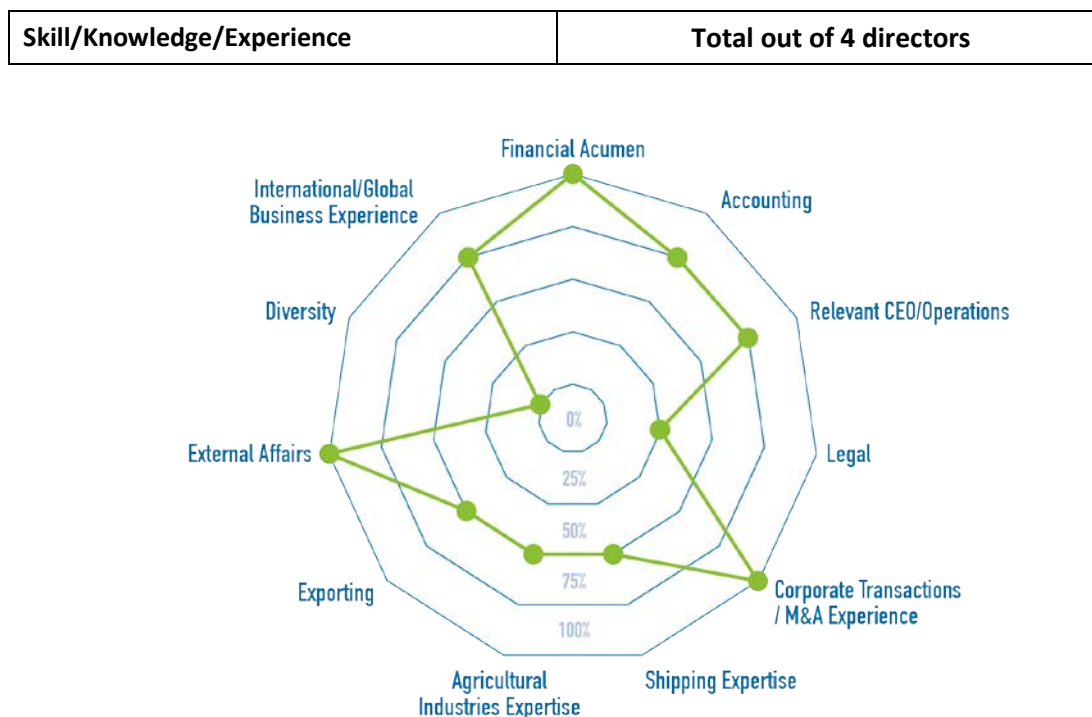
For additional details regarding the role and responsibilities of the Nomination & Remuneration Committee refer to its Charter published on Wellard's website.

Board Skills Matrix

The aim of the Board Skills Matrix is to set out the mix of skills that the Board currently has and is looking to achieve. It is a summary of the Company's internal assessments of the Board. Information is obtained from a review of skills and competencies completed for each Director.

The Board recognises that each Director will not necessarily possess experience in all areas relevant to the Company's operations so seeks to ensure that its membership includes an appropriate mix of directors with skills, knowledge and experience in agriculture, shipping, other relevant industry sectors, general management, legal and finance.

Set out below is the Board Skills Matrix which provides a summary of the skills and experience of each Director.



In addition to the skills and experience set out in the Board Skills Matrix, the Board considers that each Director has the following attributes:

- Honesty and integrity.
- A proven record of success.
- An appreciation of multiple cultures.
- A commitment to sustainability and social issues.
- Innovative thinking, preparedness to challenge and critique.
- Knowledge of corporate governance requirements and practices.

Principle 3 – A listed entity should act ethically and responsibly

The Board actively promotes ethical and responsible decision-making. The standard of ethical behaviour required of directors is set out in Wellard's Code of Conduct. The Board updates the Code as necessary, which ensures that it reflects an appropriate standard of behaviour and professionalism.

The Code requires all directors to uphold the highest levels of integrity, conducting their business in accordance with the policy.

A copy of the Code of Conduct can be found on Wellard's website.

Principle 4 – Safeguard integrity in corporate reporting

The Board has established an Audit & Risk Management Committee that operates under a Charter approved by the Board. The Audit & Risk Management Committee is responsible for assisting the Board in its responsibilities to oversee financial reporting, internal control structure, risk management systems, and the external audit function, and Wellard's systems for compliance with the Corporations Act, ASX Listing Rules and Corporate Governance Principles. With respect to internal controls, this includes controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The external auditor is appointed by the Board. The Audit & Risk Management Committee, is required to conduct a review, at least annually, in relation to the external auditor. The Audit & Risk Management Committee, amongst other things, reviews the independence of the auditor and the auditor's performance, in relation to the adequacy of the scope and quality of the annual statutory audit, half-year review, and the fees charged. Wellard's auditors have an ongoing policy of audit engagement partner rotation every five years.

The Audit & Risk Management Committee was comprised of three independent Non-executive Directors during the 2016 financial year, being Mr Griffiths, Mr Clausius and Ms Warburton. Following Ms Warburton's resignation on 26 August 2016, the Committee is only comprised of two independent Non-executive Directors. Ms Warburton was also the chair of the Committee. Following her resignation, Mr Clausius was appointed chair of the Committee. Wellard is currently looking for suitable candidates to replace Ms Warburton's vacancy.

Further details of the qualifications and experience of each member of the Audit & Risk Management Committee are disclosed in section 2 of the Directors Report contained in Wellard's Annual Report.

During 2016 financial year, the Audit & Risk Management Committee met 5 times. All members of the Committee attended each meeting. Other Board members attend meetings periodically. Management attend meetings as appropriate, with the CFO and Company Secretary attending as standing invitees.

Section 295A of the Corporations Act requires the CEO and CFO function to declare that, in their opinion, the financial records of the entity, for a financial year have been properly maintained and that the financial statements and the notes for the financial year comply with the accounting standards, and give a true and fair view of the financial position and performance of the entity. This declaration was made during the year.

The Company's external auditors, PricewaterhouseCoopers, attend Wellard's annual general meeting and are available to answer questions relevant to the audit from shareholders.

For additional details regarding the role and responsibilities of the Audit & Risk Management Committee refer to its Charter published on Wellard's website.

Principle 5: Make timely and balanced disclosure

Wellard's Continuous Disclosure Policy describes Wellard's continuous disclosure obligations and how they are managed by Wellard, as well as how Wellard communicates with financial markets. A copy of the Policy is published on Wellard's website.

The Continuous Disclosure Policy applies to all Directors, the Managing Director's direct reports, the Company Secretary and members of Senior Management.

In accordance with the Continuous Disclosure Policy, a Disclosure Committee comprising the CEO, CFO, Company Secretary and external legal counsel is responsible for administering the Continuous Disclosure Policy. The Disclosure Committee considers continuous disclosure matters and reports to the Board. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are signed off by the Company Secretary, Chairman and the Managing Director prior to transmittal to the ASX.

Principle 6: Respect the rights of shareholders

Wellard places significant importance on effective communication with shareholders and is committed to keeping them informed of all major developments that affect Wellard. This information is communicated via:

- Wellard's Annual Report and half yearly financial report;
- Quarterly cash flow reporting;
- Other Wellard announcements that comply with continuous disclosure obligations in accordance with ASX Listing Rules;
- Market briefings to assist shareholders and stakeholders to understand key issues;
- Postings on the Wellard's website;
- The Chairman's address at the annual general meeting;
- Shareholder meetings; and
- Investor relations presentation/roadshows.

Wellard's website has a dedicated Investors section that is updated regularly for the purpose of displaying all pertinent Wellard information including media releases and presentations.

Shareholders are encouraged to subscribe to the Wellard's electronic email alert that allows them to be updated with Company announcements at the same time the announcements are released to the ASX. Shareholders can access email alerts by providing their information on the "Email Alerts" page of the website.

Shareholders can contact Wellard directly via an email link and are also able to lodge an information request electronically via Wellard's website. Shareholders can receive communications from the Wellard's share registry, Link Market Services. Their contact details can be found within the "Shareholder Services" section of Wellard's website.

Wellard facilitates and encourages participation at meetings of shareholders and all shareholders are encouraged to attend in person. Wellard holds its meetings major cities in Australia and provides adequate opportunity for shareholders to post questions in advance of a meeting or ask questions at the end of each meeting.

Principle 7: Recognise and manage risk

A role of the Audit and Risk Committee is to oversee risk. See page 11 of this Corporate Governance Statement in relation to the composition, charter and meetings of the Audit and Risk Committee.

Wellard recognises the importance of identifying and managing business risks and ensuring appropriate control measures are in place. The Audit and Risk Committee undertook a review of Wellard's risk management plan to ensure it is appropriate.

The risk management plan defines Wellard's commitment to:

- Integrating risk & management with other business systems;
- Establishing a culture of risk & management to ensure benefits are realised;
- Developing people's knowledge and understanding of risk & management;

- Implementing actions to agreed standards and timeframes; and
- Utilising the risk & management program to achieve strategic objectives.

Wellard continues to develop a risk management culture within its departments to ensure Management apply the risk process to support decision making by linking risks to objectives and focussing time and resources towards significant and critical matters.

Wellard does not have an internal audit function.

Principle 8 – Remunerate fairly and responsibly

One role of the Nomination and Remuneration Committee is to review and assist the Board in developing Wellard's remuneration, recruitment, retention and termination policies. See page 9 of this Corporate Governance Statement in relation to the composition, charter and meetings of the Remuneration and Nomination Committee.

The Nomination and Remuneration Committee makes recommendations to the Board in relation to remuneration policies applicable to Directors and the executive leadership team, which are balanced and are aligned with the long term growth and success of Wellard.

The Managing Director attends the meetings of the Nomination and Remuneration Committee by invitation when required to report on and discuss on the performance of the executive leadership team, remuneration and other related matters, but is not present at meetings when his own performance or remuneration is discussed.

Wellard's remuneration structure distinguishes between non-executive Directors, Executive Directors (where applicable) and that of the Managing Director. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in Wellard's Annual Report on page 47.

The executive leadership team and the Managing Director did not have an annual and long term incentive component as part of their total remuneration package during the 2016 financial year. However, the Board intends to establish a long term incentive plan in financial year 2017 which will be settled with equity based remuneration subject to performance hurdles being satisfied. The Board also intends to establish a short term incentive plan in financial year 2017 which will be settled in cash or equity or a combination of both.

The mix of the remuneration components and the measures of performance in the incentive plans have been chosen to ensure that there is link between remuneration and the achievement of targets, which lead to returns to shareholders.

Non-executive Directors do not receive equity based remuneration.

Wellard' Securities Trading Policy

Wellard's Securities Trading Policy sets out the circumstances in which Wellard's Directors, senior management and other employees may buy or sell securities in Wellard.

Wellard's Securities Trading Policy is available on its website. The Guidelines prohibit employees who are participants in any equity-based incentive plan established by Wellard from entering into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of the securities or rights allocated under the plans during the period prior to vesting or the end of any restrictions imposed on the securities or rights or otherwise prior to the date of exercise of any securities.