



Corporate Governance Statement

2016

The Board is responsible for the overall corporate governance of Link Administration Holdings Limited and its related entities (**Link Group** or **Company**), including adopting appropriate policies and procedures designed to ensure that Link Group is properly managed to protect and enhance Shareholder interests.

The Board monitors the operational and financial position and performance of Link Group and oversees its business strategy, including approving the strategic goals of Link Group and considering and approving business plans and annual budgets.

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and sustaining the growth and success of Link Group.

In conducting business with these objectives, the Board seeks to protect and enhance Shareholder interests and to create an appropriate environment of corporate governance that is respected by the Company, its Directors, officers and personnel.

Accordingly, the Board has created a framework for managing Link Group, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for Link Group's business and that are designed to promote the responsible management and conduct of Link Group.

Since being admitted to the Official List of ASX Limited on 27 October 2015, the Board has actively considered and reviewed its corporate governance practices to ensure that they remain relevant to the current operations of Link Group and to that end, a number of changes have been made including updating the Risk and Audit Committee Charter and adopting a Minimum Shareholding Policy. A more comprehensive review of Link Group's policies is planned for the end of 2016, after Link Group has been operating as an ASX listed company for a full year.

Details of Link Group's key policies and the charters for the Board and each of its Committees are available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

This Corporate Governance Statement:

- reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles) and the practices detailed in this Corporate Governance Statement are current as at 29 September 2016;
- has been approved by the Board and is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Link Group's governance arrangements have been consistent with the ASX Principles through the applicable reporting period.

Principle 1: The Board lays solid foundations for management and oversight

Role and responsibilities of the Board and Management

The Board is responsible for the overall direction of the Link Group with oversight and review of the management, administration and overall governance of Link Group.

The Board Charter provides a framework for the effective operation of the Board, which sets out the:

- Board's role and responsibilities;
- relationship and interaction between the Board and Management; and
- authority delegated by the Board to Management and Board Committees.

The Board's role is to, among other things:

- represent and serve the interests of Shareholders by overseeing and appraising Link Group's strategies, policies and performance;
- oversee Link Group, including providing leadership and setting its objectives;
- approve and monitor systems of risk management, internal compliance, accountability and control, codes of conduct and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- set the risk appetite within which the Board expects Management to operate;
- monitor Senior Management's performance and approve remuneration policies and practices;
- monitor implementation of strategy and ensure appropriate resources are available;
- approve and monitor the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approve budgets;
- approve and monitor the corporate, financial and other reporting systems of Link Group, including external audit and oversee their integrity;
- adopt appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards, including establishing procedures to ensure information that a reasonable person would expect to have a material effect on the price or value of Link Group's Shares, is appropriately and accurately disclosed on a timely basis in accordance with all legal and regulatory requirements; and
- monitor the effectiveness of Link Group's governance practices.

Matters that are specifically reserved for the Board (or its Committees) include:

- appointment of the Chair;
- appointment and removal of the Managing Director;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board Committees, their membership and delegated authorities;
- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management; and
- any other specific matters nominated by the Board from time to time.

The Board has established the following Committees to assist it in discharging its functions:

- Human Resources and Remuneration Committee, which is responsible for establishing the policies and practices of Link Group regarding the human resources strategy of Link Group, the remuneration of Directors and employees and reviewing the overall human resources and remuneration framework for Link Group;
- Nomination Committee, which is responsible for advising the Board on the composition of Link Group Board and its Committees, maintaining proper succession plans and evaluating performance;
- Risk and Audit Committee, which is responsible for monitoring and advising the Board on Link Group's audit, risk management and regulatory compliance policies and procedures; and
- Technology and Innovation Committee, which is responsible for advising the Board on matters of technology and innovation in supporting Link Group's overall business strategy, reviewing and monitoring the effectiveness of Link Group's IT systems and data security measures, and advising the Board on developments in technology and innovation.

The Board's responsibilities are set out in the Board Charter, which is available on Link Group website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

The Managing Director is responsible for the day-to-day management of Link Group with the authority to exercise all necessary powers, discretions and delegations authorised from time to time by the Board. The Managing Director's responsibilities are set out in the Board Charter. The Managing Director is supported by his Executive Team, all of whom are listed on Link Group's website under 'About Us' / 'Executive Team' at <http://www.linkgroup.com/about-us.html#executiveteam>.

Access to information and independent professional advice

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time they consider it appropriate.

The Board collectively, and each Director individually, has the right to seek independent professional advice, at Link Group's expense, subject to the approval of the Chair, or the Board as a whole.

Board meetings

The Board meets on such number of occasions each year as the Board deems appropriate or as frequently as may otherwise be required to deal with urgent matters, which might arise between the scheduled meetings.

For details of the current Directors, their qualifications, skills and experience, refer to the Directors' section on pages 1 and 2 of the Directors' Report.

For details of Directors' attendance at Board and Committee Meetings for the year ended 30 June 2016, refer to Directors' Meetings on page 3 of the Directors' Report.

Appointment and re-election of Directors

The composition, structure and proceedings of the Board are primarily governed by the Constitution and the laws governing corporations in jurisdictions where Link Group operates.

It is intended that the Board will comprise a majority of independent Non-Executive Directors. It is intended that the Board comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds that is appropriate to Link Group and its strategy.

Anne McDonald was the only new Non-Executive Director to have been appointed since the Company's listing on the ASX.

When appointing new Directors, the Board, together with the Nomination Committee, evaluates the balance of skills, knowledge and experience on the Board and, in light of the evaluation, determines the role and capabilities required for the appointment, subject to limits imposed by the Constitution and the terms served by existing Non-Executive Directors.

At commencement of the Director selection process, the Board, together with the Nomination Committee undertakes appropriate checks on potential candidates to consider his or her suitability to fill a casual vacancy on the Board or for election as a Director.

Prior to appointment, candidates are required to provide the Chairman with details of other commitments and an indication of time involved, and to acknowledge that he or she will have adequate time to fulfil his or her responsibilities as a Non-Executive Director of Link Group.

Directors available for re-election at a general meeting are reviewed by the Nomination Committee and recommended to the Board. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules.

Shareholders will be provided with details about each Director for re-election in the notice of meeting for the AGM to enable Shareholders to make a decision on re-election.

Link Group enters into a written agreement with each Director and Senior Executive setting out the key terms, conditions and responsibilities of their position.

Non-Executive Directors must inform the Chairperson before accepting any new appointment as a Director of another listed entity, another material directorship or other position with a significant time commitment attached.

Company Secretary

All Directors have direct access to the Company Secretary who is responsible to the Board on all matters relating to the conduct and functions of the Board and each of its Committees. The Company Secretary's responsibilities are set out in the Board Charter, which is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Diversity

Link Group values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity. The Board adopted the Diversity Policy as Link Group recognises workplace diversity as an integral part of how we operate and is imperative to our success. Workplace diversity recognises our individual differences, including differences in gender, ethnicity, sexual orientation, age, physical abilities, family status, religious belief, perspective and experience.

Link Group's business policies, practices and behaviours promote workplace diversity and equal opportunity and create an inclusive and collaborative environment where individual differences are valued and all personnel have the opportunity to realise their potential and contribute to Link Group's success.

The Human Resources and Remuneration Committee is responsible for reviewing the Diversity Policy and will provide the Board with an annual report on the status of workplace diversity within Link Group and the effectiveness of the measurable objectives including for achieving gender diversity.

The Diversity Policy is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>. Further information about Our People is also set out in the Link Group's Sustainability Report (www.linkgroup.com).

Female representation at Link Group as at 29 September 2016:

Link Group level	Current percentage of women
Board of Directors	The Board currently includes three female Directors, representing 50% of the Board.
Senior Executives¹	2 of the 8 Senior Executives at Link Group are female, representing 25% of the Senior Executives.
Senior Leaders	38% of the Senior Leaders are female ² .
Senior Technical Employees	30% of the Senior Technical Employees are female ² .
Whole organisation	52% of all Link Group employees are female.

Link Group is a “relevant employer” under the Workplace Gender Equality Act 2012 and Link Group’s most recent public report to The Workplace Gender Equality Agency is located at www.wgea.gov.au/report/public-reports.

Measurable objectives

Link Group is targeting the following measurable objectives by FY2019:

Link Group level	Target percentage
Senior Executives	From 25% to 28% female
Senior Leaders	From 38% to 42% female ²
Senior Technical Employees	From 30% to 33% female ²
Administration/Support Group	From 35% to 37% male ²

Awareness and education of diversity and inclusion

Link Group currently provides high level compliance training on equal employment opportunity for employees and managers.

Target: Link Group is aiming to develop and deliver face to face awareness and education training on diversity, unconscious bias and inclusiveness to all senior managers and progressively introduce training to all staff through Link Group’s online training platform.

Gender pay equity review

Link Group is committed to addressing pay equity.

Target: Link Group will continue to review and monitor pay equity and review annual remuneration performance and remuneration recommendations to prevent gender pay inequity.

Flexible working arrangements and supporting working families

Link Group policies currently provide for flexible work arrangements such as working from home; paid parental leave; paid carers leave; paid volunteer leave and additional personal leave.

Target: to establish a policy to pay superannuation contributions during parental leave.

Building leadership capabilities

Link Group currently provides team leader training and coaching is provided to certain business leaders.

Target: to provide external mentoring to both of the female Senior Executives and internal coaching and mentoring to 20% of the Senior Leaders, ensuring 50% of the participants are female To enable 20% of the female Senior Executives and Senior Leaders to attend external networking opportunities.

Recruitment

We are currently developing relationships with a number of external institutions in the disability and indigenous space to enhance our recruitment practices to continue to encourage and attract a range of diverse candidates.

Target: to review Link Group’s internal recruitment and promotion practices to ensure there is no bias (including unintended bias).

1. Senior Executives includes the Key Management Personnel of the Company as outlined in the Remuneration Report for the year ended 30 June 2016 (but not including the Non-Executive Directors), the Deputy Chief Financial Officer, the Chief Risk Officer, the Chief Human Resources Officer and the Chief Information Officer.

2. Australia only.

Performance review of the Board and senior executives

The Nomination Committee is responsible for establishing the processes for reviewing the performance of the Board, the Board's Committees and individual Directors.

The Board, Human Resources and Remuneration Committee, Nomination Committee, Risk and Audit Committee and Technology and Innovation Committee, will periodically self-assess their performance against a range of set criteria developed annually by the Nomination Committee.

The Nomination Committee has considered and reviewed the performance of the Board, individual Directors, the Board Committees and senior executives during the year ended 30 June 2016.

A peer review has been undertaken for each Director seeking re-election at the inaugural AGM to enable the Board to recommend that Shareholders elect that Director at the AGM.

Performance review of Executive Management

The Human Resources and Remuneration Committee is responsible for reviewing and recommending remuneration arrangements for the Managing Director and Executive Team who report directly to the Managing Director, including contract terms, annual remuneration and participation in Link Group's short and long term incentive plans.

Principle 2: The Board is structured to add value

Board Committees

Nomination Committee

The Nomination Committee:

- is currently comprised of the full Board;
- is chaired by the Chairman of the Board, currently Michael Carapiet;
- has a Charter, which is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>;
- the role and responsibilities of the Committee are to:
 - advise the Board on the size and composition of the Board and its Committees and the selection and appointment of Directors to the Board and its Committees;
 - review and make recommendations to the Board on succession plans for the Board and ensure there are plans in place to manage the succession of the Managing Director and other Senior Executives;
 - advise the Board on the ongoing evaluation of the performance of the Board, its Committees and Directors and make recommendations to the Board accordingly;
 - develop 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;
 - conduct performance evaluation of the Board, its Committees and individual Directors and developing and implementing plans for identifying, assessing and enhancing Director competencies; and
 - establish and facilitate a Director induction process and provide appropriate professional development opportunities for Directors.

Risk and Audit Committee

Details of the Risk and Audit Committee are contained in the disclosure under Principles 4 and 7.

Human Resources and Remuneration Committee

Details of the Human Resources and Remuneration Committee are contained in the disclosure under Principle 8.

Technology and Innovation Committee

The Technology and Innovation Committee:

- has three members all of whom are independent Non-Executive Directors;
- is chaired by Glen Boreham, who is an independent Non-Executive Director;
- has a Charter, which is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>;
- meets as often as the Committee deems necessary to discharge its role effectively; and
- the Committee is responsible for reviewing and, where appropriate, approving Link Group's Technology Strategy and overseeing its implementation. The Committee will assist the Board by:
 - reviewing key technology changes, innovations and trends in the marketplace and their potential for application within Link Group, including advising Link Group through industry meetings with experts and education visits to key technology partners, industries and regions;
 - reviewing and recommending to the Board management strategies relating to Link Group's Technology Strategy and their alignment with Link Group's overall strategy and objectives;
 - reviewing and monitoring Management's strategies and innovation framework for developing or implementing new technologies and systems;

- advising the Board in relation to Link Group’s IT operations for the purpose of enhancing the Board’s understanding of the use of technology as an enabler and a risk for Link Group;
- reviewing and recommending to the Board major new technology projects and investments;
- monitoring and reviewing the post implementation results of all key technology projects, including the achievement of expected benefits and return on investment;
- reviewing and recommending to the Board, Management’s strategies for sourcing of major technology suppliers and monitoring the technology governance framework for third party suppliers;
- reviewing, monitoring and advising on the effectiveness of the ISMS Information Security Risk Management Policy and Procedure;
- advising the Risk and Audit Committee on matters of technology, systems, data and intellectual property risk and security;
- improving the efficiency of the Board by taking responsibility for “technology” tasks delegated to the Committee where such tasks should be discussed in depth;
- reviewing and reporting to the Board on the effectiveness of incident response plans as they relate to technology risks and cyber security risks, including disaster recovery plans and ensuring the regular testing and reporting to the Board on the results of testing;
- the delivery of technology services to Link Group, including performance outcomes for quality, stability and reliability and, where reliable information and metrics are available, Link Group’s performance relative to its Australian and offshore peers;
- the integration of IT operations and technology within the broader organisation, including strategies to minimise residual integration risk and maximise transparency across the organisation; and
- such other matters relating to Link Group’s Technology Strategy as the Committee may require from time to time.

Each Committee may obtain information from, and consult with, Management and external advisers, as it considers appropriate.

For details of the number of the Committee meetings and the attendance at those meetings during the year ended 30 June 2016, refer to Directors’ Meetings on page 3 of the Directors’ Report.

Board Skills Matrix

The Board has adopted a policy that it shall be composed of a majority of independent, Non-Executive Directors who, with the Managing Director, 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 financial services and technology sectors.

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

- strategic capabilities and commercial acumen;
- IT strategies and infrastructure, networks and innovations in data security and storage;
- financial management capability, the ability to analyse statements and assess financial viability;
- 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 identifying and managing the process for mergers and acquisitions, including integration;
- international experience; and
- experience in executive leadership.

The Board, with the assistance of the Nomination Committee, determines the size and composition of the Board, subject to the Company’s Constitution.

The Board will continue to monitor and update the Board skills matrix at least annually to ensure that as Link Group develops, the Board comprises the appropriate mix of skills and experience.

The Board recognises the importance of succession and renewal. It continues to monitor the Board composition accordingly.

Composition of the Board and details of Directors

The Directors of Link Group bring to the Board relevant skills and experience including in the areas of administration of financial ownership data, highly regulated industries, professional services and commercialisation of new technology, investment and operational excellence, corporate strategy and corporate governance.

The Link Board currently has six Directors, one of whom is the Managing Director, John McMurtrie, and the rest of whom are independent Non-Executive Directors. The Board considers the current size is appropriate to discharge its duties effectively.

Five Directors are considered by the Board to be independent Non-Executive Directors, comprising Michael Carapiet (Chairman of the Board), Glen Boreham, Anne McDonald, Sally Pitkin and Fiona Trafford-Walker.

Until 9 September 2016, the board also included two Non-Executive Directors, Cameron Blanks and Paul McCullagh, who were not considered by the Board to be independent as they were Directors nominated by Pacific Equity Partners shareholders (PEP

Shareholders) who collectively held an approximate 25% interest in Link Group (see further detail regarding this relationship below).

The criteria by which the Board determines the independence of a Director is set out in the Board Charter which is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Director	Independent status	Appointment date
Michael Carapiet (Chairman)	Independent Non-Executive Director	26 June 2015
John McMurtrie	Managing Director (not considered independent)	16 February 2007
Glen Boreham	Independent Non-Executive Director	23 September 2015
Anne McDonald	Independent Non-Executive Director	15 July 2016
Sally Pitkin	Independent Non-Executive Director	23 September 2015
Fiona Trafford-Walker	Independent Non-Executive Director	23 September 2015

The Chairman is an independent Non-Executive Director and there is a clear division of responsibility between the Chairman and the Managing Director.

Each Director must immediately disclose to the Board if a Director is, or becomes aware of, any information, facts or circumstances that will or may affect the Director's independence.

For details of the current Directors, their qualifications, skills and experience, refer to the Directors' section on pages 1 and 2 of the Directors' Report.

Induction and education

The Nomination Committee is responsible for implementing an effective training and education program for all new and existing Directors, ensuring that Link Group provides appropriate professional development opportunities for Directors.

The Nomination Committee is required to regularly review the effectiveness of the program to ensure Directors maintain the skills and knowledge required to perform their role effectively.

Any new Directors undergo an induction program in which they are given a full briefing on Link Group, its operations and the industries in which it operates. Management, with the Board, provides an orientation program for new Directors which includes discussions with executives and management, the provision of materials to the new Director such as all of the Company's governance documents, access to the recent Board and Committee papers, along with minutes of these meetings. The objectives of the induction are to familiarise the new Director with Link Group's strategies, the nature of the various businesses, financial position, operational and risk management.

Where possible, this will include meetings with key executives, tours of premises, provision of a due diligence package and presentations from Management. Furthermore, to achieve continuing improvement in Board performance, all Directors are encouraged to undergo regular professional development and from time to time, specific sessions are scheduled for Board and Committee Meetings.

Each of the Non-Executive Directors who were appointed prior to the Company listing on the ASX completed an induction program through their involvement in the due diligence process as part of listing on the ASX and also received presentations from various key management setting out details about their business units. Anne McDonald is the only new Director who has been appointed since the Company's listing on ASX.

Pacific Equity Partners relationship

As stated above, Cameron Blanks and Paul McCullagh were Directors until 9 September 2016 and were not considered by the Board to be independent as they were Directors nominated by the PEP Shareholders who, until 12 September 2016, held an approximate 25% interest in Link Group. The PEP Shareholders no longer hold any Link Group Shares.

The relationship between Link Group and the PEP Shareholders was governed by a Relationship Deed. The key provisions of the Relationship Deed require that:

- the Board adopts a Board Charter for managing conflicts of interest and resolving them in each case in a manner that incorporates and recognises the duties of directors of public companies and appropriate best practice guidelines on directors' conduct and duties in relation to conflicts of interests; and
- the PEP Shareholders may collectively nominate two Directors to the Board while the PEP Shareholders hold at least 20%, or one Director to the Board while the PEP Shareholders hold at least 10% (but less than 20%) of the issued share capital of Link Group, and Link Group must cause those nominated individuals to be appointed as Directors, provided that any nominee Directors will be subject, after appointment, to retirement by rotation and election in accordance with the ASX Listing Rules.

The PEP Shareholders also entered into confidentiality obligations with respect to Link Group information made available to them under the Relationship Deed in favour of Link Group.

The PEP Shareholders entered into voluntary escrow arrangements with Link Group whereby their Shares were escrowed until 10 trading days after the release of Link Group's full year results.

Early release of voluntary escrow

As set out in the Prospectus, a portion of escrowed shares were available for release from escrow if both of the following conditions were satisfied:

- the results for Link Group for the half year ended 31 December 2015 had been released to ASX (**ASX Release Date**); and
- the volume weighted average price of Shares on ASX over any consecutive ten trading day period commencing on or following the ASX Release Date was 20% or more above \$6.37 (being the Final Price per Share as defined in the Prospectus).

Both of these conditions were satisfied and accordingly, 21,692,897 of PEP's Escrowed Shares were released from escrow at 4:00pm on Friday, 8 April 2016. As announced to the ASX on 11 April 2016, Link Group was informed that the PEP Shareholders (along with other Shareholders) sold all of those Shares.

Release from voluntary escrow

Under the terms of the escrow arrangements and as described in Link Group's Prospectus, all of the remaining Link Group Shares held by the PEP Shareholders were released from voluntary escrow at 4pm, 7 September 2016, being 10 trading days after the release of Link Group's full year results.

As announced to the ASX on 8 September 2016, Link Group was informed that the PEP Shareholders (along with the ICG Shareholders) had sold all of their Shares. The PEP Shareholders no longer hold any Link Group Shares.

Principle 3: The Board promotes ethical and responsible decision-making

Code of Conduct and Ethics

The Board recognises the need to observe a high standard of corporate practice and business conduct. Accordingly, the Board adopted the Code of Conduct and Ethics, which outlines how Link Group expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All Link Group Directors, officers, employees and contractors (**Personnel**) must comply with the Code of Conduct and Ethics. This Code applies to all Personnel and all other people who represent Link Group or undertake work for the benefit of Link Group.

Each member of Link Group and all Personnel are expected at all times to comply with all applicable laws. All Personnel are expected to conduct Link Group's operations with high legal, moral and ethical standards in all their dealings and to uphold Link Group's reputation as a trusted third party financial administrator. Specifically, all Personnel agree to act:

- ethically, honestly, responsibly, diligently and with integrity;
- in full compliance with all laws and regulations that apply to Link Group and its operations and this Code; and
- in the best interests of Link Group.

All Link Group Senior Management must lead by example and demonstrate a high regard for Link Group, and treat all Personnel with respect.

The Code of Conduct is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Securities Trading Policy

Link Group has adopted the Securities Trading Policy that is intended to:

- explain the types of conduct in relation to dealings in securities that are prohibited under the Corporations Act 2001 (Cth) (**Corporations Act**); and
- establish a best practice procedure for the buying and selling of securities that protects Link Group, Directors and employees against the misuse of unpublished information that could materially affect the value of securities.

The Securities Trading Policy applies to:

- all Directors and officers of Link Group including the Managing Director;
- all direct reports to the Managing Director;
- all employees and contractors of Link Group;
- their associates (as defined in the Corporations Act) including, close family members and trusts and entities controlled by them; and
- other persons identified by Link Group from time to time, (**Restricted Persons**).

The Securities Trading Policy sets out restrictions that apply to dealing with securities, including "trading windows", during which Restricted Persons, subject to the prior clearance requirements set out in Section 6.4 of the Policy, may deal in Link Group's Securities in the following periods:

- 20 business days beginning on the first trading day after Link Group's annual results are released to ASX;
- 20 business days beginning on the first trading day after Link Group's half year results are released to ASX;
- 20 business days beginning on the first trading day after Link Group's Annual General Meeting (**AGM**); and
- any other period as the Board of Directors of Link Group may decide,

provided that if the dealing takes place prior to 1 October 2016, then “on the first trading day” is replaced with “5 Business Days”. All other periods are prohibited periods (i.e. when dealing in Company Securities is prohibited), unless otherwise permitted by this Policy. The *Securities Trading Policy* is available on Link Group website under ‘About Us’ at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Minimum shareholdings

The Board has adopted a Minimum Shareholding Policy to assist in aligning the interests of the Non-Executive Directors and senior executives with the interest of Link Group’s Shareholders.

Each Non-Executive Director must establish a level of Share ownership equal to the value of the Non-Executive Director’s annual fees or such amount as fixed by the Board from time to time. Each Director must meet the requirements of the policy within three years after the date of the Director’s appointment.

Each senior executive must hold a minimum number of shares which is of equal value to one times the senior executive’s base salary. Each senior executive must meet the requirements of the policy within three years of them becoming a participant in the Omnibus Equity Plan.

The Shares or interests in Shares that count towards a Director or senior executive meeting the Minimum Holding are Shares that are:

- owned by the Director or senior executive, or their associated entities and close associates, each as defined in the Corporations Act; or
- owned through a trust or in a superannuation fund or are otherwise held for the benefit of a person or entity referred to above.

Progress is monitored on an ongoing basis to ensure all relevant persons are continuing to track well against the policy.

Details of the shareholdings of Key Management Personal are set out in the Directors’ Report on page 30.

Principle 4: The Board safeguards integrity in corporate reporting

Risk and Audit Committee

The Risk and Audit Committee:

- has four members, the majority of whom are independent Non-Executive Directors;
- is Chaired by Fiona Trafford-Walker, who is an independent Non-Executive Director;
- has a Charter that is available on Link Group website under ‘About Us’ at <http://www.linkgroup.com/about-us.html#corporategovernance>; and
- will meet as often as the Committee members deem necessary to discharge its role effectively, but not less than four times annually.

In accordance with its Charter, all members of the Committee shall be financially literate and the members of the Committee, among them, should have the accounting and financial expertise and a sufficient understanding of the industry in which Link Group operates to be able to discharge the Committee’s mandate effectively.

The purpose of the Committee is to:

- oversee, review and supervise Link Group’s risk management framework and promote a risk management culture;
- assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal controls relating to all matters affecting Link Group’s financial performance and the audit process;
- assist the Board in monitoring compliance with laws and regulations and Link Group’s Code of Conduct and Ethics;
- assist the Board to adopt and apply appropriate ethical standards in relation to the management of Link Group and the conduct of its business; and
- review the adequacy of Link Group’s insurance policies.

The responsibilities of the Committee in relation to external audit are as follows:

- establish procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- review the external auditor’s proposed audit scope and approach;
- meet with the external auditor to review reports, and meet separately from Management, at least once a year, to discuss in that regard any matters that the Committee or auditors believe should be discussed privately;
- establish policies as appropriate in regards to the independence, integrity and performance of the external auditor;
- review of the independence of the external auditors and the appropriateness of any services provided by them to Link Group (if any), outside their statutory role;
- for the purpose of removing or appointing external auditors review their performance, including their proposed fees, and if appropriate conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to Shareholders for their approval; and

- review any proposal for the external auditor to provide non-audit services and consider whether it might compromise the independence of the external auditor.

It is the policy of Link Group that its external auditing firm must be independent of it. The Risk and Audit Committee will review and assess the independence of the external auditor on an annual basis.

The Risk and Audit Committee may obtain information from, and consult with, Management, the external auditor and external advisers, as it considers appropriate. The Risk and Audit Committee also has access to the external auditor to discuss matters without Management being present.

The Risk and Audit Committee met four times during the year ended 30 June 2016.

For details of the qualifications and experience of each Risk and Audit Committee member, refer to the Directors' section on pages 1 and 2 of the Directors' Report.

For further details regarding the number of Risk and Audit Committee meetings and the attendance at those meetings, refer to Directors' Meetings on page 3 of the Directors' Report.

Managing Director and Chief Financial Officer declaration

Prior to Board approval of Link Group's half year and annual financial reports, the Managing Director and Chief Financial Officer must provide the Board with declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

For the financial year ended 30 June 2016, the Managing Director and Chief Financial Officer made a declaration in accordance with section 295A of the Corporations Act. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively. An equivalent declaration was made for the half year ended 31 December 2015.

Auditor at AGM

At Link Group's inaugural AGM and all future AGMs, the external auditor will be present and available to answer Shareholder questions on the:

- conduct of the audit;
- preparation and content of the external auditor's report;
- accounting policies adopted by Link Group in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

Principle 5: The Board makes timely and balanced disclosure

The Board's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of Link Group.

Link Group has adopted a *Continuous Disclosure Policy* to ensure compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the Corporations Act and ASX Listing Rules.

The Board bears the primary responsibility for Link Group's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this Policy. The Board makes the ultimate decision on whether there is any materially price sensitive information that needs to be disclosed to the ASX. It is a standing agenda item at all Board meetings to consider any information that must be disclosed to the ASX in accordance with Link Group's continuous disclosure obligations.

The Board has appointed the Company Secretary as the Reporting Officer in order to streamline the day-to-day compliance with its continuous disclosure obligations. All Directors are required to notify the Reporting Officer if they believe there is materially price sensitive information which requires disclosure to the ASX. All Directors are encouraged to approach the Reporting Officer if they have any queries about what information should be disclosed to the ASX.

The Board has also appointed the Company Secretary as its ASX liaison officer, being the person responsible for communicating with ASX with respect to all Listing Rule matters.

The *Continuous Disclosure Policy* is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Principle 6: The Board respects the rights of shareholders

Link Group respects the rights of its Shareholders and to facilitate the effective exercise of those rights, has adopted a Shareholder Communications Policy, which available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

Company website

Link Group's website is at <http://www.linkgroup.com> and is regularly kept up-to-date to maintain effective communication with Shareholders and stakeholders.

The following information is available on Link Group's website:

- a profile of Link Group and its businesses;
- Director and Executive Team profiles;
- Corporate governance overview including the Constitution, the Board and Board Committee Charters and Board approved policies;
- all ASX announcements made to the market since listing on the ASX, including annual and half year financial results, are posted on Link Group's website under 'Investors' at <http://investors.linkgroup.com/Investors/ASXAnnouncements> as soon as they have been released by the ASX;
- copies of all investor presentations made to analysts and media briefings;
- half year and full year financial statements and Link Group's Annual Report;
- investor services including a link to Link Group's Investor Centre, managed by Link Market Services; and
- share price and tools and investor contact details.

Alternatively, Link Group's ASX announcements can be accessed from the 'Announcements' section of the ASX website (ASX code: LNK) at <http://www.asx.com.au/asx/statistics/announcements>.

Investor relations program

The Company will hold its AGM on 18 November 2016 and the Chairman, Managing Director and Chief Financial Officer will engage in two-way communications with shareholders in advance of the AGM, as appropriate.

Link Group has appointed the Chairman or Managing Director (or in their absence their delegate), as authorised spokespersons. Further details are contained in the *Continuous Disclosure Policy*.

Further, Link Group recognises the importance of its relationships with investors and analysts. Following the Company's release of its half-year and annual financial statements, Link Group conducts investor briefings (via teleconference calls) and investor roadshows with institutional groups and analysts.

Shareholder engagement and participation

The contact details of Link Group and its share registry (see below under 'electronic communications') are available to Shareholders to address and facilitate any Shareholder-related enquiries.

Link Group will be holding its inaugural AGM on 18 November 2016. To encourage Shareholder engagement and participation at the AGM, Shareholders have the opportunity to attend the AGM, ask questions from the floor, participate in voting and meet the Board and the Executive Team in person.

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the notice of meeting or online through the share registry's website. Shareholders have the opportunity to submit written questions to Link Group and its external auditor, or make comments on the management of Link Group and access presentations and speeches made by the Chairman and Managing Director prior to the commencement of the meeting. Link Group will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

Electronic communications

The Link Group's contact details are available on Link Group's website under 'Investors' at <http://investors.linkgroup.com/Investors/investorcontacts>. Shareholders can email Link Group at investor.relations@linkgroup.com or contact its share registry, Link Market Services at registrars@linkmarketservices.com.au.

Shareholders may elect to receive all Shareholder communications (including notification that the annual report is available to view, notices of meeting and payment statements) by email. Electronic communications have the added advantage of being more timely and cost effective, which benefits all Shareholders. Shareholders should contact Link Market Services (or visit Link Market Services' Investor Centre at <http://www.linkmarketservices.com.au>) if they wish to elect to receive electronic communications.

Principle 7: The Board recognises and manages risk

Risk and Audit Committee

In its function as a risk committee, the Risk and Audit Committee assists the Board in fulfilling its corporate governance responsibilities in regard to oversight of Link Group's risk management framework and internal control systems.

Details of the Risk and Audit Committee are contained in the disclosure under Principle 4. For details regarding the number of Risk and Audit Committee meetings and the attendance at those meetings, refer to Directors' Meetings on page 3 of the Directors' Report.

Risk Management Policy

The *Risk Management Policy* sets out the requirements, roles and responsibilities for managing risks across Link Group. *The Risk and Audit Committee Charter* and the *Risk Management Policy* are available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>.

The Risk and Audit Committee's primary role with respect to risk management is to:

- consider the overall risk management framework and risk profile and annually review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- review with Management the adequacy of Link Group's systems for identifying, managing, and monitoring the key risks to Link Group in accordance with the *Risk Management Policy*;
- obtain reports from Management on the status of any key risk exposures or incidents;
- review the adequacy of the Link Group's process for managing risk and provide a recommendation to the Board regarding the same in accordance with the *Risk Management Policy*;
- review any incident involving fraud or other material or significant break down of the Link Group's internal controls in accordance with the *Risk Management Policy*;
- review any material or significant incident involving any break down of Link Group's risk management framework in accordance with the *Risk Management Policy*;
- review the Link Group's insurance program having regard to Link Group's business and the insurable risks associated with its business and inform the Board regarding the same; and
- review whether Link Group has any material exposure to any economic, environmental and social sustainability risks and if so, develop strategies to manage such risks to present to the Board.

During the financial year ended 30 June 2016, the Board (through the Risk and Audit Committee) conducted an annual review of Link Group's risk management framework.

Senior Management has reported to the Board (through the Risk and Audit Committee) on the effectiveness of the management of the material risks faced by Link Group during the financial year ended 30 June 2016. The Board (through the Risk and Audit Committee) has reviewed the risk management framework and is satisfied that it continues to be sound.

Internal audit

The internal audit function provides objective assurance on the effectiveness of risk management, operational and transactional controls and governance. Internal Audit operates under an annual plan reviewed and considered by the Risk and Audit Committee and the findings are presented to the Risk and Audit Committee. The internal audit function is undertaken by a mixture of internal teams and external providers. Link Group has appointed an external provider to provide internal audit services.

Economic, environmental and social sustainability risks

Link Group is committed to sustainability and acting in a responsible manner to promote employee well-being, minimise our impact on the environment and give back to the wider community. Link Group's ethos is to build partnerships with our employees, clients, investors, suppliers and communities based on mutual respect, trust and fairness.

A link to Link Group's *Sustainability Statement*, endorsed by the Board, is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#sustainability>.

In addition, the Company's Operating and Financial Review provides details about the pro-active management of risks (see section 4 of the Company's Annual Financial Report for the year ended 30 June 2016, on page 21).

In FY2015, Link Group enhanced its approach to sustainability and commenced formal reporting on sustainability. The result was Link Group's inaugural *Sustainability Report*, using the Global Reporting Initiative's (GRI) 4th Generation (G4) guidelines. In FY2016, Link Group has focussed on the key pillars of People, Environment, Community and Governance:

- **Our People** - what we do to attract, retain and develop our employees given that their knowledge, skills and customer dedication are vital to our Group's success;
- **Our Environment** - what energy and materials we use, even though as a technology-based services business we recognise that this is limited compared to a manufacturing business;
- **Our Community** - what activities we conduct to support the wider communities in which we operate; and
- **Our Governance** - our management and governance framework and the approach we have established to manage risk and ensure ethical behaviour.

Link Group looks forward to increasing the scope and range of its activities and reporting over time, as its sustainability focus becomes broader and deeper and it identifies its priority areas for improvement.

The full FY2016 Sustainability Report, containing our sustainability performance, some technical details and the GRI-G4 Content Index, is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#sustainability>.

The ASX Principles define 'material exposure' as a 'real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for securityholders over the short, medium or long term'.

Material business risks are described in the Sustainability Report and the Operating and Financial Review, but in summary, the key risks are as follows:

Economic risks	Reliance on core and third party IT infrastructure
	Risk to security and integrity of sensitive information
	Reputation
Environmental risks	None
Social sustainability risks	Reputation

Full details about the above risks and how Link Group manages these risks is set out in the Sustainability Report and the Company's Operating and Financial Review (see section 4 of the Company's Annual Financial Report for the year ended 30 June 2016, on page 21).

The Company faces certain other business risks, notably those related to:

- concentrated client base and contract renewal;
- political and regulatory environment;
- ability to attract and retain key personnel;
- integration of acquired business and execution of new acquisitions; and
- increased competition.

Principle 8: The Board remunerates fairly and responsibly

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee:

- has three members all of whom are independent Non-Executive Directors;
- is chaired by Sally Pitkin, who is an independent Non-Executive Director;
- has a Charter, which is available on Link Group's website under 'About Us' at <http://www.linkgroup.com/about-us.html#corporategovernance>;
- meets as often as the Committee deems necessary to discharge its role effectively, but not less than twice annually; and
- annually reviews the Diversity Policy and reports to the Board on the status of workplace diversity within Link Group and the effectiveness of the measurable objectives including for achieving gender diversity.
- The responsibilities of the Committee are to:

Human Resources Strategy

- Review and make recommendations to the Board regarding Link Group's human resources strategy, including in respect to the alignment of that strategy to:
 - Link Group's strategic and operational imperatives;
 - Link Group's cultural aspirations and values; and
 - Link Group's organisational structure.

Human Resources Policies and Practices

- Review and make recommendations to the Board regarding Link Group's human resources policies and practices, including in respect of:
 - the effectiveness of policies and practices to support the human resources strategy;
 - the promotion of an inclusive and collaborative workplace;
 - the recruitment, development and retention of employees and Directors, and succession planning for key roles within Link Group;
 - the management of performance of employees and Directors; and
 - compliance of policies and practices with laws and good governance.
- Review and make recommendations to the Board regarding the status of diversity within Link Group, and the effectiveness of the measurable objectives for achieving gender diversity.

Remuneration Policies and Practices

- Review and make recommendations to the Board regarding Link Group's remuneration policies and practices, including in respect of:
 - the alignment of remuneration policies and practices with the human resources strategy of Link Group;
 - the attraction and retention of capable and committed employees and Directors;
 - the continuing development of a 'pay for performance' culture within Link Group;
 - the alignment of Senior Executive remuneration to sustainable shareholder returns; and
 - Link Group's strategic and operational imperatives.
- Review and make recommendations to the Board regarding Link Group's provision of superannuation to employees.
- Review and make recommendations to the Board regarding remuneration and terms of appointment for the Managing Director and direct reports to the Managing Director, and the associated legal and regulatory requirements.
- Review and make recommendations to the Board regarding remuneration for the Non-Executive Directors, and the adequacy of the pool approved by Shareholders for Non-Executive Director remuneration.
- Review and make recommendations to the Board regarding the structure and operation of incentive plans within Link Group, including the level of participation in those plans, reward vehicles and performance hurdles.
- Review and make recommendations to the Board regarding Link Group's remuneration report, including compliance of that report with the Corporations Act, and accounting standards.

Workplace Health and Safety

- Review and make recommendations to the Board regarding Link Group's policies and programs to protect the health and safety of employees.
- Monitor and review Link Group's performance against agreed workplace health and safety measures.

For further details of the number of Remuneration and Nomination Committee meetings and the attendance at those meetings, refer to Directors' Meetings on page 3 of the Directors' Report.

Remuneration Report and remuneration policies

In relation to remuneration issues, the Board (with the assistance of the Human Resources and Remuneration Committee) has established a remuneration philosophy to ensure that it remunerates fairly and responsibly. The remuneration philosophy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees.

Details about Link Group's remuneration philosophy, policies and practices are provided within the Remuneration Report, which is part of the Directors' Report. As detailed in the Remuneration Report, the structure of Non-Executive Directors' remuneration and that of executives is clearly distinguished. Non-Executive Directors receive fees, which do not include any incentive payments. Executives participate in incentive plans as detailed in the Remuneration Report. There are also no retirement schemes for Non-Executive Directors, other than superannuation.

Equity-based remuneration scheme

Link Group has established the:

- (1) *Omnibus Equity Plan (Plan)*, to provide performance-based remuneration supporting the retention, incentive and award functions of that remuneration, and under which Eligible Executives receive:
 - **Options:** a right to acquire a Share (by transfer, issue or allocation at the absolute discretion of the Board) on the payment of the Exercise Price on the terms set out in the Plan rules; and
 - **Rights:** a right to acquire a Share (by transfer, issue or allocation at the absolute discretion of the Board) pursuant to Rule 4 of the Plan on the terms set out in an invitation issued by the Board.
- (2) *Tax Exempt Employee Share Plan*, the purpose of which is to:
 - encourage participation by Eligible Employees in Link Group through Share ownership;
 - assist in the reward, retention and motivation of Eligible Employees;
 - align the economic interests of Eligible Employees with Shareholders by providing an opportunity to earn rewards via an equity interest in Link Group based on creating Shareholder value; and/or
 - provide a tax efficient structure for the provision of equity to Eligible Employees.

The Board will consider the use of equity based remuneration to reward, motivate and retain Management including the use of equity as a means of deferring short term incentives or as an instrument for delivering long term incentives. The Board's objective, when considering future equity based remuneration, will be to implement a remuneration framework that aligns the interests of participants with Link Group's strategic objectives in order to maximise Shareholder value.

The terms and conditions of the *Omnibus Equity Plan* and *Tax Exempt Employee Share Plan* are available on the 'Announcements' section of the (ASX code: LNK) at <http://www.asx.com.au/asx/statistics/announcements>, lodged on 21 October 2015.

Under the *Omnibus Equity Plan*, *Tax Exempt Employee Share Plan* and *Securities Trading Policy*, participants are prohibited from entering into any arrangement, including any financial product that operates to limit the economic risk of the securities, prior to vesting or becoming exercisable (as relevant).

Under the *Omnibus Equity Plan*, the Board has the ability to claw back equity (whether vested or not) in circumstances where the executive has acted fraudulently or dishonestly or is in material breach of his or her obligations to the Link Group.

