



Corporate Governance Statement 2018

Link Administration Holdings Limited
ABN 27 120 964 098



Link Group recognises that a strong corporate governance culture underpins sustainable value creation for shareholders and all of our stakeholders.

While the Board of Directors (**Board**) is ultimately accountable for implementing and overseeing an effective corporate governance framework, Executive Management and all Link Group people are responsible for upholding the high corporate governance standards that we set.

This Corporate Governance Statement:

- reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**). The practices detailed in this Corporate Governance Statement are consistent with the ASX Principles and are current as at 24 September 2018; and
- has been approved by the Board and is located on Link Group's website at www.linkgroup.com (under About Us, then Corporate Governance).

Key areas of governance focus during FY2018

Link Group adopts a continuous improvement approach to its corporate governance framework. During the year, the Board and its Committees undertook the following governance-focused activities:

- participated in the development of, and approved Link Group's Purpose Statement, which we see as key to enhancing and protecting employee and stakeholder engagement;
- commenced a review of our Risk Appetite Statement to ensure that it remains appropriate following the acquisition of Link Asset Services (**LAS**);
- undertook a periodic review of the Board Charter, Committee Charters, and suite of corporate governance-related policies;
- considered and approved a revised Approvals Framework and Group Policy Framework, with a focus on clarity and effective Management decision-making within appropriate limits;
- established a LAS Advisory Forum, to exercise focused oversight of LAS as it continues its integration into Link Group;
- appointed Andrew (Andy) Green as an Independent Non-Executive Director. Mr Green is based in the UK and brings valuable international experience to the deliberations of the Board and the LAS Advisory Forum;
- visited the UK to meet with the LAS leadership team and staff, and gain valuable exposure to the LAS operations; and
- employed Cassandra Hamlin, who has considerable ASX-listed governance experience, as a dedicated Company Secretary.

The Board lays solid foundations for management and oversight

Board responsibilities and delegations

The Board is appointed by, and represents, Link Group's shareholders. It is accountable to shareholders for creating and delivering sustainable value through effective governance of Link Group. To deliver this, the Board as a whole must perform. All Directors must contribute to the Board's collective decision-making process, having regard to the skills and experience that each Director brings to the Board. Biographical details of each Director are located on the Link Group website at www.linkgroup.com (under About Us, then Board).

The Board Charter, which was reviewed and updated during FY2018, provides a framework for the effective operation of the Board, including the:

- Board's role and responsibilities;
- establishment of Committees; and
- authority delegated by the Board to the Managing Director and to the Committees.

The Board's role includes providing leadership and guiding Link Group's strategic direction, driving its performance, and overseeing the activities of Management and the operation of Link Group. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure for Link Group.

The Board Charter specifies the role of the Chair, the Board composition and the responsibilities of Directors. It also provides that the Company Secretaries are accountable to the Board through the Chair and that the Company Secretaries are to advise the Board and its Committees on all governance matters and coordinate all Board and Committee business.

The Board Charter also allocates the decision making authority within Link Group and sets out the matters that are reserved for Board decision. The Board delegates to the Managing Director authority and power to manage the Link Group business on a day-to-day basis, subject to the limits imposed by the Board. In turn, the Managing Director delegates aspects of his authority to Senior Executives. However, the Managing Director remains accountable to the Board for the authority that is delegated and for the performance of Link Group, with the expectation that the Managing Director works in a constructive way with the Board. The Board monitors the decisions and actions of the Managing Director, the performance of Link Group and assesses its risk profile with the assistance of each of its Committees.

The Board Charter also describes the Managing Director's specific duties.

The Board Charter is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

Board meetings and attendance

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to Link Group to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

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

- Risk and Audit Committee;
- Human Resources and Remuneration Committee;
- Technology and Innovation Committee; and
- Nomination Committee.

The number of Board and Committee meetings held, and attended by each of the Directors, during FY2018 is set out in the table below:

	Board		Risk and Audit Committee		HR & Remuneration Committee		Technology & Innovation Committee		Nomination Committee	
	H	A	H	A	H	A	H	A	H	A
Michael Carapiet	9	9	-	3*	5	5	3	3	3	3
John McMurtrie	9	9	-	3*	-	5*	-	3*	3	3
Glen Boreham	9	9	-	-	5	5	3	3	3	3
Andrew (Andy) Green	3	3	-	-	-	2*	-	2*	-	-
Peeyush Gupta	9	8	4	3	-	-	-	2*	3	2
Anne McDonald	9	9	4	4	-	4*	-	2*	3	3
Sally Pitkin	9	9	4	4	5	5	-	3*	3	3
Fiona Trafford-Walker	9	9	4	4	-	5*	3	3	3	3

H: number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (*).

A: Number of meetings attended by the Director.

The Managing Director, John McMurtrie, is a Member of the Nomination Committee but is not a Member of any other Committee given he is an Executive Director.

Senior Executives attend Board and Committee meetings by invitation.

Access to information and independent professional advice

Management is required to report regularly to the Board in a spirit of openness on the progress being made by Link Group. Directors are entitled to request additional information at any time they consider it appropriate. An open dialogue between individual Directors and the Managing Director and Senior Executives is encouraged.

The Board collectively, and each Director individually, has the right to seek independent professional advice, at Link Group's expense.

Diversity and inclusion

Link Group values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity and inclusion. The Link Group Diversity and Inclusion Policy recognises workplace diversity and inclusion as being an integral part of how Link Group operates and imperative to our success. The policy was reviewed and updated during FY2018.

Workplace diversity and inclusion 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 of our people have the opportunity to realise their potential and contribute to Link Group's success.

The Diversity and Inclusion Policy is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

The Human Resources and Remuneration Committee reviews annually the status of workplace diversity within Link Group and the effectiveness of the measurable objectives the Board has set.

Gender diversity

In 2016, the Board set the following measurable gender diversity objectives for achievement by FY2019:

Link Group level	Percentage ¹	
	Target for FY2019 ²	Actual in 2016 ³
Senior Executives	28% female	25% female
Senior Leaders	42% female	38% female
Senior Technical Employees	33% female	30% female
Administration/Support Group	37% male	35% male

1 Australia and New Zealand only.

2 During FY2019, the Board, with the assistance of the Human Resources and Remuneration Committee, will consider revised targets for Link Group globally, including the recently acquired LAS business.

3 Actual statistics as reported in the 2016 Corporate Governance Statement.

Link Group is striving to increase female participation in all roles. During FY2018, Link Group appointed a dedicated Diversity and Inclusion Manager, whose role includes identifying opportunities to further improve female representation, particularly in technical roles and senior management.

Female representation at Link Group since its Initial Public Offering, and against the measurable objectives set by the Board, is set out below:

Link Group level	Actual percentage of women	
	FY2018	In 2016 ^{1,2}
Board of Directors	38%	50%
Senior Executives ³	40%	25%
Senior Leaders ¹	39%	38%
Senior Technical Employees ¹	28%	30%
Link Group ¹	51%	52%

1 Australia and New Zealand only.

2 Actual statistics as reported in the 2016 Corporate Governance Statement.

3 Includes the Managing Director, Chief Financial Officer (CFO), CEO Corporate Markets & Technology and Innovation, CEO Fund Administration, CEO LAS, Deputy CFO, CFO LAS, Chief Risk Officer, Chief Human Resources Officer and General Counsel & Company Secretary.

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 (**WGEA**) is available on WGEA's website at www.wgea.gov.au/report/public-reports.

Awareness and education of diversity and inclusion

Link Group's mandatory annual compliance training program includes training on equal employment opportunity for all employees.

Flexible working arrangements and supporting working families

Link Group policies provide for flexible work arrangements such as working from home, paid parental leave, paid carer's leave, paid volunteer leave and additional personal leave. Link Group will continue to review its Flexible Work Arrangements Policy and expand the suite of flexible work arrangements under that policy.

Building leadership capabilities

Link Group is committed to building the leadership capabilities of its Senior Leaders, including through external and internal coaching and mentoring, and external networking opportunities.

Performance Review of the Managing Director and Senior Executives

At the start of each financial year, Key Performance Indicators (**KPIs**) for the Managing Director and each of the Senior Executives are reviewed and recommended to the Board by the Human Resources and Remuneration Committee. At the end of the financial year, in conjunction with the Managing Director (or the Chair in the case of the Managing Director), Senior Executives' performance against the KPIs are assessed. These assessments are reviewed and reported to the Board by the Human Resources and Remuneration Committee.

For FY2018, a performance evaluation of the Managing Director and each Senior Executive was undertaken by the Human Resources and Remuneration Committee and approved by the Board. KPI performance for Executive Key Management Personnel (**KMP**) is described from page 83 of the 2018 Annual Report, which is located on the Link Group website at www.linkgroup.com (under Investors, then Annual Reports).

In providing a final assessment of annual performance against KPIs, the Board may in its discretion take into consideration the Executive KMP's alignment to Link Group's core values and culture, behaviours, internal and external stakeholder relationship management, and prudent risk taking. The Board may in its discretion also take into consideration the impact of circumstances either positive or negative that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and other events.

The Board, with assistance from the Human Resources and Remuneration Committee, has also set FY2019 KPIs for the Managing Director and each Senior Executive.

The Board is structured to add value

Board composition and Director appointment

The Board believes that orderly Board succession and renewal will be achieved as a result of careful planning. The composition of the Board is periodically reviewed within the limit imposed by the Constitution (a maximum of ten Directors).

The Board will comprise a majority of independent Non-Executive Directors. The Board will also consist of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds that are appropriate to Link Group and its strategy.

In addition, during FY2018, the Board approved a Non-Executive Director Tenure Policy, which provides that Non-Executive Directors will serve a maximum of three terms or nine years, whichever is the longer, from the date they were first elected by shareholders. Notwithstanding this policy, and noting that all current Non-Executive Directors were appointed between 2015 and 2018, exceptions may be made for reasons such as Board leadership or continuity.

When appointing new Directors, the Board evaluates the balance of skills, knowledge and experience currently on the Board as well as the terms served by existing Non-Executive Directors. In light of this evaluation, the Board determines the role and capabilities required for the appointment.

At the commencement of a Director selection process, the Board 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 Chair 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. Link Group enters into a written agreement with each Director setting out the key terms, conditions and responsibilities of their position.

As part of a mutual due diligence process between the Board and a potential candidate, the potential Director is provided with a combination of public and non-public materials, subject to strict confidentiality arrangements.

Once appointed, new Directors undergo an induction program during which they meet Senior Executives and are given a full briefing on Link Group operations, its strategies, the nature of its various businesses, its financial position and performance, and its operational and risk management. The program is tailored to each Director's skills, experience and any intended Committee roles, and also includes site visits.

Directors that are appointed to fill a casual vacancy hold office until the end of Link Group's next Annual General Meeting (**AGM**), where they then seek election by shareholders. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules. On recommendation from the Nomination Committee, the notice of AGM contains all material information about candidates so that shareholders can make an informed decision on whether or not to elect or re-elect a Director.

Director time commitment and professional development

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

All Directors are encouraged and supported to participate regularly in professional development opportunities, in addition to specific educational sessions that are scheduled during Board and Committee meetings. During FY2018:

- the Board travelled to the UK, where they met with the LAS leadership team and staff, and gained valuable exposure to the LAS operations; and
- the Risk and Audit Committee Chair visited our Mumbai and Johannesburg offices.

Current Board composition and independence

The Link Board currently has eight Directors, including the Managing Director, John McMurtrie, and seven independent Non-Executive Directors.

Following the acquisition of LAS in 2017, on 9 March 2018 the Board appointed Andy Green as an additional Independent Non-Executive Director to fill a casual vacancy. Mr Green is based in the UK and brings valuable international experience to the deliberations of the Board and the LAS Advisory Forum. Shareholders will be asked to elect Mr Green as a Link Group Director at the 2018 AGM.

The criteria by which the Board determines the independence of a Director is set out in the Board Charter. Seven Directors are considered by the Board to be independent Non-Executive Directors, including Michael Carapiet, Chair of the Board, as set out in the table below. There is a clear division of responsibility between the Independent Non-Executive Chair 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 that Director's independence.

Director	Independent status	Appointment date
Michael Carapiet (Chair)	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
Andy Green	Independent Non-Executive Director	9 March 2018
Peeyush Gupta	Independent Non-Executive Director	18 November 2016
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 Board believes that its current size is presently appropriate to discharge its duties effectively.

Board skills matrix

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. In addition, the Board considers that each Director demonstrates the following personal attributes:

- the time to undertake the responsibilities of the role;
- unquestioned honesty and integrity;
- an ability to apply strategic thought to relevant matters;
- the ability to exercise sound business judgement and to deal with complex issues; and
- a preparedness to question, challenge and critique.

The Managing Director brings additional perspectives to the Board through a deeper understanding of Link Group's business and day-to-day operations.

The Board reviews its Board skills matrix at least annually to ensure that as Link Group develops, the Board continues to have the appropriate mix of skills, expertise, experience and diversity. In July 2018, the Board updated its skills matrix to explicitly include international experience, and to provide a greater level of granularity as to the Board's collective level of skill and experience in each category, as detailed in the following table.

Board skills matrix (continued)

Skills and experience	Experience scale
Strategy: Track record of developing and implementing a successful strategy, including appropriately probing and challenging Management on the delivery of agreed strategic planning objectives	25% 75%
Risk Management: Track record of developing an asset or business portfolio over the long term that remains resilient to systemic risk, including setting and monitoring risk appetite, and building and adapting organisational risk culture	25% 25% 50%
Governance: Previous board experience as a director or advisor. Commitment to high standards of governance, including compliance with all ASX Listing Rule obligations and a focus on ESG principles	25% 75%
Financial Acumen: Experience in financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial risk controls	13% 13% 74%
Financial Services Experience: Relevant experience within the financial services sector, including superannuation, investment management and capital markets	38% 12% 50%
Technology: Experience related to information technology, including information security and innovation strategies	12% 38% 12% 38%
Mergers and Acquisitions Experience: related to identifying and implementing merger and acquisition opportunities, including integration and change management	25% 25% 50%
Business Development: Track record developing, implementing and managing forward-thinking product, service or customer relationship strategies	50% 50%
International Experience: Experience in the international locations where Link Group operates	12% 38% 50%
Human Resources: Experience in human resource management, including workplace culture, management development and succession, health and safety, diversity and remuneration	12% 12% 38% 38%
Stakeholder Relationships: Experience in managing relationships with stakeholders including investors, regulators, government, employees, suppliers and communities	12% 38% 50%
Executive Leadership: Sustainable success in business at a senior executive level	12% 88%
Risk and Audit Committee: Experience as a member of a board's risk or audit committee	12% 50% 38%
Human Resource and Remuneration Committee: Experience as a member of a board's human resources or remuneration committee	25% 25% 50%
Technology and Innovation Committee: Experience as a member of a board's technology or innovation committee	25% 25% 12% 38%

Key - Experience scale

Level 0 – Little or non-current experience

Level 2 – Significant experience at management or professional levels, and/or tertiary qualification

Level 1 – Significant experience in some aspects

Level 3 – Substantial expertise and experiences at board, executive or professional levels

Board Committees

Technology and Innovation Committee

The Technology and Innovation Committee has three members. The Committee Chair, Glen Boreham, and each member are independent Non-Executive Directors.

The Technology and Innovation Committee Charter, which was reviewed and updated during FY2018, sets out the role and responsibilities of the Committee. The Charter is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

The Technology and Innovation Committee assists the Board by reviewing and making recommendations in relation to:

- Management's development and implementation of Link Group's Technology and Innovation strategy and its alignment with Link Group's overall strategy and objectives;
- major new technology projects and investments;
- Management's strategies for sourcing of material technology suppliers; and
- key external technology changes, innovations and trends and the potential to adopt them within Link Group.

The Technology and Innovation Committee also monitors and reviews, in conjunction with the Risk and Audit Committee as appropriate, the:

- post implementation results of all key technology projects, including the achievement of expected benefits and return on investment; and
- effectiveness of incident response plans as they relate to technology risks and cyber security risks.

In addition, the Technology and Innovation Committee advises the Risk and Audit Committee on technology, systems, data and intellectual property risk and security matters.

Nomination Committee

Currently, each Director is a member of the Nomination Committee and the Committee is chaired by the Chair of the Board, Michael Carapiet.

The Nomination Committee Charter, which was reviewed and updated during FY2018, sets out the role and responsibilities of the Committee and the Charter is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

The Nomination Committee assists the Board by:

- identifying and nominating for Board approval, candidates to fill Board vacancies;
- considering matters relating to the re-election of Directors by shareholders, and the degree of independence of any Director;
- reviewing succession plans for the Board Chair and other Non-Executive Directors;
- reviewing the skills, performance and effectiveness of the Board, its Committees and Directors;
- facilitating continuing education for Directors; and
- maintaining the Directors' skills matrix.

Other Board Committees

Details of the Risk and Audit Committee and Human Resources and Remuneration Committee are included further below in this Corporate Governance Statement.

LAS Advisory Forum

Following Link Group's acquisition of LAS in 2017, the Board established the LAS Advisory Forum. The Forum advises the Board on strategic, operational and risk matters in relation to the LAS business, and exercises focused oversight of LAS as it continues its integration into Link Group.

Performance review of the Board

Each year, the Board undertakes a structured assessment of its performance and that of its Committees, in accordance with the terms of the respective Charters.

During FY2018, the Board:

- considered the results of an externally facilitated Board and Committee evaluation that was undertaken at the end of FY2017; and
- undertook an externally facilitated review of Link Group's corporate governance practices, both at the Board and Management level.

The results of all evaluations undertaken are used to identify opportunities to further enhance the effectiveness of the Board and its Committees, consistent with Link Group's commitment to high standards of corporate governance.

The Board promotes ethical and responsible decision-making

Code of Conduct and Ethics

Link Group's Code of Conduct and Ethics (**Code**) outlines how Link Group expects its people to behave and conduct business, with specific reference to Link Group's core values: professionalism, integrity, respect, commitment and teamwork.

All Link Group Directors, employees, contractors and all other people who represent or undertake work for Link Group (**our People**) must comply with the Code. Our People are expected at all times to comply with all applicable laws. In addition, our People are expected to conduct Link Group's operations with high standards of ethics and integrity whenever they represent Link Group to uphold Link Group's reputation as a market-leading global provider of sophisticated data management services.

The Board reviewed and updated the Code during FY2018. Key updates included more detailed guidance in relation to:

- fraud, corruption and bribery; and
- actual, perceived and potential conflicts of interest, including political donations, accepting and offering gifts or hospitality, and close personal relationships between our People.

The Code is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

Securities Trading Policy

The Link Group Securities Trading Policy governs trading in Link Group securities by Directors, employees, contractors and their associates (**Restricted Persons**). In addition to the insider trading provisions set out in the Corporations Act, Restricted Persons can only deal in Link Group shares during trading windows that are set out in the policy. Trading windows are generally opened for 20 business days beginning on the first trading day after Link Group's:

- annual and half year results are released to ASX; and
- Annual General Meeting.

Additional approval processes are required for Directors, Senior Executives or Senior Leaders who want to trade in Link Group shares during a trading window.

The Securities Trading Policy was reviewed and updated by the Board in August 2018. The updated policy was released to ASX and is also located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

A separate Link Group Client Securities Trading Policy restricts dealing in securities of Link Group clients by nominated Link Group employees.

Minimum shareholding policy

The Board has adopted a suite of minimum shareholding policies that are aimed at aligning the interests of the Non-Executive Directors and Senior Executives with those of Link Group's shareholders.

Non-Executive Directors are required to reach a minimum shareholding of one times the base fee that is paid to Non-Executive Directors, within three years following the date of their appointment.

Each Senior Executive is required to reach a minimum shareholding of one year's fixed remuneration within three years of the date they first become a participant in the Link Group Omnibus Equity Plan.

Progress against these requirements is monitored annually.

Details of Group shares held by Directors and other KMP are set out on page 97 of the 2018 Annual Report, which is located on the Link Group website at www.linkgroup.com (under Investors, then Annual Reports).

The Board safeguards integrity in corporate reporting

Risk and Audit Committee

The Risk and Audit Committee has four members. The Committee Chair, Fiona Trafford-Walker, and each member are independent Non-Executive Directors. All Committee members are financially literate and have a deep understanding of the industries in which Link Group operates, to enable them to discharge the Committee's mandate effectively. Several members have accounting and financial expertise.

The Risk and Audit Committee Charter, which was reviewed and updated during FY2018, sets out the role and responsibilities of the Committee. The Charter is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

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 in relation 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 key Link Group policies, including the 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 include:

- establishing procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- reviewing and approving the external auditor's proposed annual audit scope and approach, including terms of engagement and proposed fees;
- meeting with the external auditor to review audit reports and, at least once a year, meeting to discuss any matters that the Committee or auditor believe should be discussed privately without Management present;
- establishing policies as appropriate in relation to the independence, integrity and performance of the external auditor; and
- reviewing (at least annually) the independence, integrity and performance of the external auditor and the appropriateness of any non-audit services provided by them to Link Group.

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 meets regularly with the external auditor without Management being present, as a matter of good governance.

Managing Director and Chief Financial Officer Declarations

Prior to Board approval of Link Group's annual financial reports, the Managing Director and Chief Financial Officer provide the Board with the declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. An equivalent declaration is also provided prior to Board approval of Link Group's half-year financial reports, consistent with ASX Principle Recommendation 4.2.

For the financial year ended 30 June 2018, the Managing Director and Chief Financial Officer made a declaration in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. 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 2017.

Auditor at AGM

KPMG, as Link Group's independent external auditor, is present and available at each Link Group AGM to answer shareholder questions on the:

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

The Board makes timely and balanced disclosure

The Board is committed to maintaining the highest standards of disclosure, so that all shareholders and potential investors have the same access to high-quality, relevant information in an accessible and timely manner to assist them in making informed decisions.

The Link Group Continuous Disclosure Policy ensures compliance with the explicit requirements, and with the spirit and intent of its disclosure obligations, that are set out in the Corporations Act and ASX Listing Rules.

Under the Continuous Disclosure Policy, the Board has primary responsibility for Link Group's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this policy. At each Board meeting, and between meetings as necessary, the Board considers, and makes the ultimate decision, as to whether there is any materially price sensitive information that must be disclosed to ASX.

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

The Policy was reviewed and updated during FY2018, and is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

The Board respects the rights of shareholders

Link Group is committed to promoting effective communication with shareholders through a range of forums and publications, so that:

- shareholders can access information and have facilities available to enable them as owners of Link Group to exercise their rights; and
- shareholder views can be heard and understood by Link Group's Board and Senior Management.

Link Group's Shareholder Communications Policy, which was reviewed during FY2018, is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

Link Group website

Link Group's website at www.linkgroup.com is kept current to maintain effective communication with shareholders and stakeholders, and includes information about Link Group's financial results and operations, Director and Senior Executive profiles, copies of all key governance documentation and key shareholder information (such as access to the Link Group Investor Centre, announcements, investor presentations and current share price information).

All ASX announcements made by Link Group can also be accessed from the 'Announcements' section of the ASX website at <http://www.asx.com.au/asx/statistics/announcements.do>, using Link Group's ticker code: LNK.

Investor relations

Link Group is committed to managing its relationships with institutional investors, in compliance with its Continuous Disclosure Policy and the ASX Listing Rules. A structured engagement program is in place to facilitate proactive communication with institutional investors, including post-results briefings and periodic investor days. These events are made available to all investors via webcasts that can be accessed on the Link Group website at www.linkgroup.com (under Investors).

Link Group also adopts a proactive approach to engaging with proxy advisers in relation to corporate governance matters.

Shareholder communications

Shareholders are encouraged to elect to receive all communications electronically. Electronic communications are more timely, cost effective and environmentally responsible, which benefits all Link Group stakeholders. Shareholders who wish to receive electronic communications can contact Link Group's share registry by emailing LNK@linkmarketservices.com.au.

Link Group's share registry is managed by Link Market Services Limited whose website is at <http://www.linkmarketservices.com.au>.

Shareholder engagement and participation

Link Group encourages shareholder engagement and participation at its AGM (and AGMs more broadly). Link Group's virtual meeting technology allows shareholders to participate in AGMs regardless of their geographic location. Shareholders who choose to participate in the Link Group AGM online can view the AGM online (via live or archived webcast) and vote and ask questions online.

Shareholders who attend the Link Group AGM in person can cast their votes using the LinkVote App on their mobile phone or tablet device, as well as ask questions and meet the Board and the Senior Executives.

Shareholders who are unable to attend the AGM either online or in person are encouraged to vote on the proposed resolutions by casting a direct vote or appointing a proxy prior to the AGM. In addition, shareholders have the opportunity to submit written questions to Link Group and its independent external auditor, make comments on the management of Link Group and access presentations and speeches made by the Chair and Managing Director prior to the commencement of the meeting. These resources can be accessed on the Link Group website at www.linkgroup.com (under Investors, then Annual General Meetings).

Link Group releases its AGM results to ASX and also makes the results available on its website, following the conclusion of each AGM.

The Board recognises and manages risk

Risk management

The Board requires Management to design, implement and review the risk management and internal control systems to manage Link Group's material business risks and report to it on whether those risks are being managed effectively. Proactive risk management is a core competency of Management. Link Group's ability to identify and address risk is central to achieving our corporate objectives.

Link Group is committed to maintaining a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to Link Group's operations. Link Group seeks to align its risk related practices and policies to the key principles, framework and procedures of the international risk management standard ISO 31000:2009.

In addition to its corporate reporting-focused role, the Risk and Audit Committee assists the Board in fulfilling its corporate governance responsibilities in relation to oversight of Link Group's risk management framework and internal control systems.

The Risk and Audit Committee's 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 and oversight of 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;
- to obtain reports from Management on the status of any key risk exposures or incidents;
- review and oversight of the adequacy of Link Group's process for managing risk and to provide a related recommendation to the Board in accordance with the Risk Management Policy;
- review and oversight of any incident involving fraud or other material or significant break down of Link Group's internal controls in accordance with the Risk Management Policy;
- review and oversight of any material or significant incident involving any break down of Link Group's risk management framework in accordance with the Risk Management Policy;
- review and oversight of Link Group's insurance program having regard to Link Group's business and the insurable risks associated with its business and to provide related updates to the Board; and
- review and oversight of whether Link Group has any material exposure to any economic, environmental and social sustainability risks and if so, oversee the development of strategies to manage these risks for consideration by the Board.

Together with the Risk and Audit Committee, Link Group's three other Committees also assist the Board in fulfilling its risk related corporate governance responsibilities.

In addition, the Board has established a LAS Advisory Forum to advise it on, among other things, risk matters in relation to the LAS business.

Through each of these channels, and directly, Management reported to the Board on the effectiveness of the management of the material risks faced by Link Group during FY2018.

The Risk Management Policy sets out the requirements, roles and responsibilities for managing risks across Link Group which is documented in the Risk Management Framework. The Risk Management Policy is available on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

During FY2019, the Board and Management will review the Risk Management Framework, to ensure it continues to be appropriate for the Link Group following the acquisition of LAS.

Internal audit

Link Group's 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 that is reviewed and approved by the Risk and Audit Committee. Findings from audits undertaken are discussed with the Risk and Audit Committee and, in the case of LAS, with the LAS Advisory Forum. Link Group's internal audit function is supplemented by assistance from an external provider.

Economic, environmental and social sustainability risks

Link Group is committed to sustainability and to 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.

Link Group's Sustainability Report uses the Global Reporting Initiative's (GRI) 4th Generation (G4) guidelines. In FY2018, Link Group has focused on the key pillars of Governance, People, Environment, Community, Supply Chain and Clients:

- Our Governance - our management and governance framework and the approach we have established to manage risk and ensure ethical behaviour;
- Our People - what we do to attract, retain and develop our employees given that their knowledge, skills and customer dedication are vital to Link Group's success;
- Our Environment - what energy and materials we use, which we consider to be important, despite the fact that Link Group produces mainly intangible products and services, with limited consumption of natural resources;
- Our Community - what activities we undertake to support the wider communities in which we operate;
- Our Supply Chain - how we manage our procurement and what standards we expect will be met; and
- Our Clients - how we seek to limit risks to our business, reputation and existing clients.

Link Group's Sustainability Policy is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

Link Group will continue to increase the scope and range of its activities and reporting over time, as its sustainability focus becomes broader and deeper, and as it identifies its priority areas for improvement. Our FY2018 Sustainability Report, which details our sustainability performance and the GRI Standards Content Index, is located on the Link Group website at www.linkgroup.com (under About Us, then Sustainability).

Link Group's material business risks, and our proactive management of these risks, are described from page 62 of the 2018 Annual Report, which is located on the Link Group website at www.linkgroup.com (under Investors, then Annual Reports).

The Board remunerates fairly and responsibly

Link Group's approach to remuneration is to align its policies and practices to sustainable shareholder value creation.

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee has three members. The Committee Chair, Dr Sally Pitkin, and each member are independent Non-Executive Directors.

The Human Resources and Remuneration Committee Charter, which was reviewed during FY2018, sets out the role and responsibilities of the Committee. The Charter is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

The Human Resources and Remuneration Committee assists the Board by reviewing and making recommendations in relation to:

- Link Group's human resources strategy, including alignment of the strategy to the Group's strategic and operational imperatives, and cultural aspirations and values;
- the effectiveness of policies and practices that support the human resources strategy, including in relation to diversity;
- remuneration policies and practices for Link Group's employees and Directors, including the continuing development of a 'pay for performance' culture, and monitoring the implementation and effectiveness of the policies and practices; and
- the performance of, and succession planning for, the Managing Director and the Senior Executive team.

Remuneration policies and practices

Details about Link Group's remuneration strategy, framework, policies and practices are set out in our Remuneration Report, which clearly distinguishes the structure of Non-Executive Directors' remuneration from that of the Executive KMP. In particular, the remuneration of Non-Executive Directors is fixed and is paid according to the role in which they serve on the Board and any Committees. Non-Executive Directors do not participate in any variable or incentive plans and do not receive retirement benefits other than superannuation.

Link Group's 2018 Remuneration Report is set out from page 73 of the 2018 Annual Report, which is located on the Link Group website at www.linkgroup.com (under Investors, then Annual Reports).

Policy on hedging equity-based incentive schemes

Link Group's Securities Trading Policy prohibits those employees who participate in any employee or executive incentive plans from hedging the value of restricted shares and unvested securities granted under the plans. Breaches of this prohibition will result in awards being forfeited by the relevant employee. The Link Group Securities Trading Policy is located on the Link Group website at www.linkgroup.com (under About Us, then Corporate Governance).

