

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

HGL Limited

ABN

25 009 657 961

Financial year ended:

30 September 2020

Our corporate governance statement for the above period above can be found at www.hgl.com.au/about/corporate-governance, and as an attachment to this Appendix 4G.

The Corporate Governance Statement is accurate and up to date as at 30 November 2020 and has been approved by the board.

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

Date: 30/11/2020

**Name of Director or Secretary authorising
lodgement:** Iain Thompson
Secretary

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): X at www.hgl.com.au/about/corporate-governance	
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	the fact that we follow this recommendation: X in our Corporate Governance Statement	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	the fact that we follow this recommendation: X in our Corporate Governance Statement	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	the fact that we follow this recommendation: X in our Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>a copy of our diversity policy or a summary of it: X at www.hgl.com.au/about/corporate-governance</p> <p>and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: X in our Corporate Governance Statement</p> <p>and the information referred to in paragraphs (c)(1) or (2): X in our Corporate Governance Statement</p>	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>the evaluation process referred to in paragraph (a): X in our Corporate Governance Statement</p> <p>and the information referred to in paragraph (b): X in our Corporate Governance Statement</p>	
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>the evaluation process referred to in paragraph (a): X in our Corporate Governance Statement</p> <p>and the information referred to in paragraph (b): X in our Corporate Governance Statement</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>a copy of the charter of the committee:</p> <p>X at www.hgl.com.au/about/corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5):</p> <p>X in the 2020 Annual Report</p>	<p>X an explanation why that is so in our Corporate Governance Statement</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>our board skills matrix:</p> <p>X in our Corporate Governance Statement</p>	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>the names of the directors considered by the board to be independent directors:</p> <p>X in our Corporate Governance Statement</p> <p>and, where applicable, the information referred to in paragraph (b):</p> <p>X in our Corporate Governance Statement</p> <p>and the length of service of each director:</p> <p>X in the 2020 Annual Report</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.4	A majority of the board of a listed entity should be independent directors.		X an explanation why that is so in our Corporate Governance Statement
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		X an explanation why that is so in our Corporate Governance Statement
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	our copy of our board induction program: X at www.hgl.com.au/about/corporate-governance	
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	our code of conduct or a summary of it: X at www.hgl.com.au/about/corporate-governance	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>and a copy of the charter of the committee:</p> <p>X at www.hgl.com.au/about/corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5):</p> <p>X in the 2020 Annual Report</p>	<p>X an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>the fact that we follow this recommendation:</p> <p>X in our Corporate Governance Statement</p>	
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>the fact that we follow this recommendation:</p> <p>X in our Corporate Governance Statement</p>	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	our continuous disclosure compliance policy or a summary of it: X at www.hgl.com.au/about/corporate-governance	
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	information about us and our governance on our website: X at www.hgl.com.au/about/corporate-governance	
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	the fact that we follow this recommendation: X in our Corporate Governance Statement	
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	the fact that we follow this recommendation: X in our Corporate Governance Statement	
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	the fact that we follow this recommendation: X in our Corporate Governance Statement	

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>and a copy of the charter of the committee:</p> <p>X at www.hgl.com.au/about/corporate-governance</p> <p>and the information referred to in paragraphs (4) and (5):</p> <p>X in the 2020 Annual Report</p>	<p>X an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p>X in our Corporate Governance Statement</p> <p>and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p>X in our Corporate Governance Statement</p>	
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p>X in our Corporate Governance Statement</p>	<p>X an explanation why that is so in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	the fact that we follow this recommendation: X in our Corporate Governance Statement	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	a copy of the charter of the committee: X at www.hgl.com.au/about/corporate-governance and the information referred to in paragraphs (4) and (5): X in the 2020 Annual Report	X an explanation why that is so in our Corporate Governance Statement
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: X in the Remuneration Report contained in the 2020 Annual Report	
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	our policy on this issue or a summary of it: X at www.hgl.com.au/about/corporate-governance	

HGL Limited

Corporate Governance Statement

Introduction

This HGL Ltd Corporate Governance statement is current at 30 November 2020, and was reviewed and approved by the Board of Directors on that date.

This statement makes reference to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations 3rd edition (ASX Recommendations), as released in March 2014.

Copies of all relevant Corporate Governance documents can be found on the HGL Ltd website, www.hgl.com.au/about/corporate-governance.

The following terms have been used to indicate the level of compliance during the year:

- Full – this recommendation was complied with in full for the entire financial year
- Partial – this recommendation was only partially complied with during the year, and HGL continued to not comply with the recommendation in full at 30 September 2020
- Non-compliance – this recommendation was not complied with at all during the year

Where non-compliance is indicated, the Commentary outlines the “why not” in accordance with the ASX Recommendations

Principle	Compliance for full year	Commentary
1: Lay foundations for management and oversight		
1.1 <i>A listed entity should disclose:</i> a) <i>the respective roles and responsibilities of its board and management; and</i> b) <i>those matters expressly reserved to the board and those delegated to management.</i>	Full	The Company’s Board Charter outlines the roles and responsibilities of the board and management, and can be found at http://www.hgl.com.au/about/corporate-governance
1.2 <i>A listed entity should:</i> a) <i>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</i> b) <i>provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</i>	Full	The Company’s Nomination & Remuneration Committee Charter explicitly requires these checks to be undertaken. A copy of the charter can be found at http://www.hgl.com.au/about/corporate-governance The Explanatory Information attached to the AGM Notice of Meeting includes all relevant information to assist shareholders to decide on whether or not to elect or re-elect a director.

Principle	Compliance for full year	Commentary												
<p>1.3 <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i></p>	Full	Each Director and senior Executive has a written agreement in place.												
<p>1.4 <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i></p>	Full	The role of the company secretary has had dual accountability, with matters to do with the operation of the board accountable to the board, and other matters relevant to the role accountable to the Chief Executive Officer. This accountability is formalised through its inclusion in the Board Charter.												
<p>1.5 <i>A listed entity should:</i></p> <p>a) <i>have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</i></p> <p>b) <i>disclose that policy or a summary of it; and</i></p> <p>c) <i>disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</i></p> <ol style="list-style-type: none"> 1. <i>the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</i> 2. <i>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i> 	Full	<p>A copy of the Company's diversity policy can be found at http://www.hgl.com.au/about/corporate-governance</p> <p>The gender diversity objectives and progress toward them are as follows:</p> <table border="1" data-bbox="1240 592 2141 1436"> <thead> <tr> <th data-bbox="1240 592 1637 624">Objective</th> <th data-bbox="1637 592 2141 624">Progress in achieving objective</th> </tr> </thead> <tbody> <tr> <td data-bbox="1240 624 1637 938">Encourage a diverse workforce at all levels of the Company</td> <td data-bbox="1637 624 2141 938">The company supports the promotion of women to board and management roles within all Group entities. As at 30 September 2020 38% of the workforce were female, and 29% of employees considered in our "HGL Level5 Leadership" group were female. Level 5 leaders are management positions reporting to either the HGL Ltd CEO or function head roles within business units.</td> </tr> <tr> <td data-bbox="1240 938 1637 1093">25% female representation on HGL Ltd board</td> <td data-bbox="1637 938 2141 1093">HGL had met this objective prior to the resignation of The Hon. Helen Coonan in June 2020. At the date of this report, HGL had 20% female representation on the board of directors.</td> </tr> <tr> <td data-bbox="1240 1093 1637 1217">Promote a safe work environment by taking action against inappropriate workplace and business behaviour</td> <td data-bbox="1637 1093 2141 1217">The board takes action against discrimination and harassment within the Company.</td> </tr> <tr> <td data-bbox="1240 1217 1637 1342">Ensure appointments are based on merit</td> <td data-bbox="1637 1217 2141 1342">The best person is appointed to the role regardless of age, gender or ethnicity. During the year 53% of new appointments and promotions were female.</td> </tr> <tr> <td data-bbox="1240 1342 1637 1436">Provide supportive HR policies to encourage diversity</td> <td data-bbox="1637 1342 2141 1436">Family friendly workplace policies are in place Training programs are offered and provided to all employees</td> </tr> </tbody> </table>	Objective	Progress in achieving objective	Encourage a diverse workforce at all levels of the Company	The company supports the promotion of women to board and management roles within all Group entities. As at 30 September 2020 38% of the workforce were female, and 29% of employees considered in our "HGL Level5 Leadership" group were female. Level 5 leaders are management positions reporting to either the HGL Ltd CEO or function head roles within business units.	25% female representation on HGL Ltd board	HGL had met this objective prior to the resignation of The Hon. Helen Coonan in June 2020. At the date of this report, HGL had 20% female representation on the board of directors.	Promote a safe work environment by taking action against inappropriate workplace and business behaviour	The board takes action against discrimination and harassment within the Company.	Ensure appointments are based on merit	The best person is appointed to the role regardless of age, gender or ethnicity. During the year 53% of new appointments and promotions were female.	Provide supportive HR policies to encourage diversity	Family friendly workplace policies are in place Training programs are offered and provided to all employees
Objective	Progress in achieving objective													
Encourage a diverse workforce at all levels of the Company	The company supports the promotion of women to board and management roles within all Group entities. As at 30 September 2020 38% of the workforce were female, and 29% of employees considered in our "HGL Level5 Leadership" group were female. Level 5 leaders are management positions reporting to either the HGL Ltd CEO or function head roles within business units.													
25% female representation on HGL Ltd board	HGL had met this objective prior to the resignation of The Hon. Helen Coonan in June 2020. At the date of this report, HGL had 20% female representation on the board of directors.													
Promote a safe work environment by taking action against inappropriate workplace and business behaviour	The board takes action against discrimination and harassment within the Company.													
Ensure appointments are based on merit	The best person is appointed to the role regardless of age, gender or ethnicity. During the year 53% of new appointments and promotions were female.													
Provide supportive HR policies to encourage diversity	Family friendly workplace policies are in place Training programs are offered and provided to all employees													

Principle	Compliance for full year	Commentary
<p>1.6 A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Partial	<p>The board did not undertake a formal periodic evaluation during the FY20 year, as board and management resources during the period when a review would ordinarily be undertaken were engaged on other strategic matters, and a number of changes of personnel at board level were occurring. The board agreed to postpone this review until a more appropriate period in the FY21 year.</p>
<p>1.7 A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Full	<p>The performance of the Chief Executive Officer is reviewed on an ongoing basis by the Board as a whole, and each year as part of the annual salary review and performance incentive consideration.</p> <p>The performance of the direct reports to the CEO is reviewed by the CEO through the annual formal performance appraisal process. The result of these reviews is passed on to the HGL board during the salary review and performance incentive processes.</p>
<p>2: Structure the board to add value</p>		
<p>2.1 The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose: 3. the charter of the committee; 4. the members of the committee; and 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <p style="text-align: center;"><u>OR</u></p> <p>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Partial	<p>During July 2020, the board resolved to absorb the function of the Nomination and Remuneration Committee into its direct remit.</p> <p>The Nomination and Remuneration Committee Charter (which can be found at http://www.hgl.com.au/about/corporate-governance) continues to be the reference point for the board on matters relevant to board structure, including board composition and balance.</p> <p>Cheryl Hayman, an independent Director who was previously the Chair of this Committee, continues to be the designated lead director on nomination and remuneration matters.</p>

Principle	Compliance for full year	Commentary
<p>2.2 <i>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</i></p>	Full	<p>The board has developed a skills matrix that outlines the mix of skills and experience the board is looking to achieve in its membership. The skills identified will be used in assessing competency requirements for filling any future board vacancies.</p> <p>Key skills the board aims to achieve include Corporate Governance, e-Commerce, Finance, Importation, Marketing, Risk Management, Strategy Development, Technology, Capital raising and Investor relations.</p>
<p>2.3 <i>A listed entity should disclose:</i></p> <p>a) <i>the names of the directors considered by the board to be independent directors;</i></p> <p>b) <i>if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</i></p> <p>c) <i>the length of service of each director.</i></p>	Full	<p>The board currently consists of one independent director, Cheryl Hayman, and four non-independent directors.</p> <p>Peter Miller, Joseph Constable and Sandy Beard are not considered to be independent due to their relationship with substantial shareholders of the Company. Kevin Eley is not considered to be independent due to his previous role as CEO of HGL prior to joining the board and his length of service.</p> <p>Notwithstanding the technical classification of directors as non-independent, all directors act independently in board deliberations and discussions, and in the best interests of shareholders as a whole.</p> <p>Director length of service is outlined in the Directors report in the Annual Report each year.</p>
<p>2.4 <i>A majority of the board of a listed entity should be independent directors.</i></p>	Non-compliance	<p>HGL does not comply with this recommendation, however notwithstanding the technical classification of directors as non-independent, all directors act independently in board deliberations and discussions, and in the best interests of shareholders as a whole</p>
<p>2.5 <i>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i></p>	Non-compliance	<p>HGL does not comply with this recommendation, however notwithstanding the technical classification of directors as non-independent, all directors act independently in board deliberations and discussions, and in the best interests of shareholders as a whole</p>
<p>2.6 <i>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i></p>	Full	<p>HGL complies with this recommendation.</p>

Principle	Compliance for full year	Commentary
3: Act ethically and responsibly		
<p>3.1 A listed entity should:</p> <p>a) have a code of conduct for its directors, senior executives and employees; and</p> <p>b) disclose that code or a summary of it.</p>	Full	<p>HGL complies with this recommendation.</p> <p>The code of conduct can be found at http://www.hgl.com.au/about/corporate-governance</p>
4: Safeguard integrity in corporate reporting		
<p>4.1 The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board, and disclose: 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <p><u>OR</u></p> <p>b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Partial	<p>During July 2020, the board resolved to absorb the function of the Audit and Risk Committee into its direct remit.</p> <p>The Audit and Risk Committee Charter (which can be found at http://www.hgl.com.au/about/corporate-governance) continues to be the reference point for the board on matters relevant to financial and corporate reporting, and audit matters.</p> <p>Kevin Eley, who was previously the Chair of this Committee, continues to be the designated lead director on audit and reporting matters.</p>
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Full	<p>HGL complies with this recommendation, with this declaration provided to the Board for each half year and full year reporting period, prior to the board approving and signing the financial statements.</p>

Principle	Compliance for full year	Commentary
4.3 <i>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</i>	Full	HGL complies with this recommendation, with the signing audit partner in attendance at the AGM, or in their absence, another partner involved in the audit from the Auditor's firm (Deloitte).
5: Make timely and balanced disclosure		
5.1 <i>A listed entity should:</i> <i>a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</i> <i>b) disclose that policy or a summary of it.</i>	Full	HGL complies with recommendation. A copy of the continuous disclosure policy can be found at http://www.hgl.com.au/about/corporate-governance
6: Respect the rights of security holders		
6.1 <i>A listed entity should provide information about itself and its governance to investors via its website.</i>	Full	HGL complies with this recommendation. All governance documents can be found at http://www.hgl.com.au/about/corporate-governance
6.2 <i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i>	Full	HGL understands the importance of engaging with existing and potential investors. Contact details for the company and its share registry are provided on the HGL website, which allows shareholders to contact the company. Company announcements are made available on the website and distributed via email to registered users. Shareholders are sent updates following the release of half and full year results and the AGM. The company will respond to any enquiries that may be made from time to time. Shareholders are encouraged to attend any General Meeting of the company, and are given the opportunity to ask questions at that time.
6.3 <i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</i>	Full	Shareholders are encouraged to attend any General Meeting of the company, and are given the opportunity to ask questions at that time. Shareholders are also given the opportunity to ask questions in advance of the meeting.
6.4 <i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i>	Full	Shareholders are encouraged to deal with both the company and the share registry electronically, with contact details listed on the HGL website.

Principle	Compliance for full year	Commentary
7: Recognise and manage risk		
<p>7.1 <i>The board of a listed entity should:</i></p> <p>a) <i>have a committee or committees to oversee risk, each of which:</i></p> <ol style="list-style-type: none"> 1. <i>has at least three members, a majority of whom are independent directors; and</i> 2. <i>is chaired by an independent director, and disclose:</i> 3. <i>the charter of the committee;</i> 4. <i>the members of the committee; and</i> 5. <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</i> <p><u>OR</u></p> <p>b) <i>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i></p>	Full	<p>During July 2020, the board resolved to absorb the function of the Audit and Risk Committee into its direct remit.</p> <p>Responsibility for the oversight of group risk now sits with the full Board of Directors.</p> <p>Enterprise Risk Management is a standing item on the board timetable, with management providing an annual detailed review of the risk framework, and regular scheduled updates on individual risk items. Where the assessment of a risk changes during the year, this is brought to the board's attention as soon as practical, rather than waiting for the next scheduled risk discussion.</p>
<p>7.2 <i>The board or a committee of the board should:</i></p> <p>a) <i>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</i></p> <p>b) <i>disclose, in relation to each reporting period, whether such a review has taken place.</i></p>	Full	<p>Enterprise Risk Management is a standing item on the board timetable, with management providing an annual detailed review of the risk framework, and regular scheduled updates on individual risk items. Where the assessment of a risk changes during the year, this is brought to the board's attention as soon as practical, rather than waiting for the next scheduled risk discussion.</p> <p>These reviews occurred during the period.</p>
<p>7.3 <i>A listed entity should disclose:</i></p> <p>a) <i>if it has an internal audit function, how the function is structured and what role it performs; OR</i></p> <p>b) <i>if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</i></p>	Partial	<p>HGL utilises reports generated by the external auditors as part of their half year review and full year audit to identify internal control weaknesses, and then act on them accordingly.</p> <p>HGL currently does not have a formalised internal audit process, with internal reviews conducted by HGL employees on an ad hoc basis.</p>
<p>7.4 <i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i></p>	Full	<p>The Directors report contained within the Annual Report includes a summary of key risks faced by the Group and how those risks are mitigated.</p>

Principle	Compliance for full year	Commentary
8: Remunerate fairly and responsibly		
<p>8.1 <i>The board of a listed entity should:</i></p> <p>a) <i>have a remuneration committee which:</i></p> <ol style="list-style-type: none"> 1. <i>has at least three members, a majority of whom are independent directors; and</i> 2. <i>is chaired by an independent director, and disclose:</i> 3. <i>the charter of the committee;</i> 4. <i>the members of the committee; and</i> 5. <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</i> <p><u>OR</u></p> <p>b) <i>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p>	Partial	<p>During July 2020, the board resolved to absorb the function of the Nomination and Remuneration Committee into its direct remit.</p> <p>The Nomination and Remuneration Committee Charter (which can be found at http://www.hgl.com.au/about/corporate-governance) continues to be the reference point for the board on matters relevant to remuneration matters, including directors fees and KMP fixed and variable remuneration.</p> <p>The board will engage with external remuneration consultants on an ad hoc basis to benchmark KMP remuneration levels.</p> <p>Cheryl Hayman, an independent Director who was previously the Chair of this Committee, continues to be the designated lead director on nomination and remuneration matters.</p>
<p>8.2 <i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i></p>	Full	HGL complies with this recommendation, with the Remuneration Report containing a discussion around remuneration policies.
<p>8.3 <i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>a) <i>have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i></p> <p>b) <i>disclose that policy or a summary of it.</i></p>	Not applicable	<p>The HGL Share Trading Policy prohibits the use of hedging type transactions to protect against share price fluctuations on shares that are unvested or subject to a trading lock. There is also a prohibition on employees using HGL securities as security against any type of financial product, such as margin loans.</p> <p>A copy of the policy can be found at http://www.hgl.com.au/about/corporate-governance</p>