

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

MANTRA GROUP LIMITED

ABN / ARBN

137 639 395

Financial year ended:

30 JUNE 2016

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

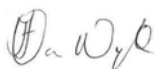
These pages of our annual report:

This URL on our website: <http://ir.mantragroup.com.au/Investor-Centre/?page=Corporate-Governance>

The Corporate Governance Statement is accurate and up to date as at 18 August 2016 and has been approved by the board.

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

Date: 18 August 2016



Fiona van Wyk

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1) ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> Mantra Group Board Charter on the Company's website www.mantragroup.com.au
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1) <input checked="" type="checkbox"/> Notice of 2016 Annual General Meeting (available later in the year)
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1) <input checked="" type="checkbox"/> Mantra Group Board Charter on the Company's website www.mantragroup.com.au

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 ...
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)</p> <p><input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au</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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 1)</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)</p>
<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>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)</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>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 1)</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 ...
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2) and in the Directors Report included in the Company's Annual Report for the year ended 30 June 2016</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2)</p>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2)</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2)</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in the Directors' Report included in the Company's Annual Report for the year ended 30 June 2016</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)</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 ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 2)
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 2)
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 3) <input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au
4.1	The board of a listed entity should: (a) have an audit committee which: (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; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 4) ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 4) and in the Directors' Report in the Company's Annual Report for the year ended 30 June 2016

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 ...
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 4)
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 4)
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement (section 5) <input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au
6.1 A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 6)
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 6)
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 6) <input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au

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 ...
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7) and in the Directors' Report included in the Company's Annual Report for the year ended 30 June 2016</p>
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7)</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7)</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7)</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7)</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 ...
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 8)</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 8) and in the Directors' Report included in the Company's Annual Report for the year ended 30 June 2016</p>
<p>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.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 8) and in the Remuneration Report included in the Director's Report of the Company's Annual Report for the year ended 30 June 2016</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 8)</p> <p><input checked="" type="checkbox"/> on the Company's website - www.mantragroup.com.au</p>



Corporate Governance Statement

This statement includes Mantra Group Limited and/or its controlled entities, as relevant, and referred to in this statement as (the **Company**).

The Board of Directors (**Board**) of the Company is responsible to its Security Holders for the overall corporate governance of the Company including monitoring key performance goals and ensuring the Company is properly managed to protect and enhance Security Holder value. The Board and Management are committed to managing the Company's business in accordance with high standards of corporate governance. The Company has reviewed its corporate governance practices against the 3rd edition of the ASX Corporate Governance Principles and Recommendations (**ASX Principles**) published by the ASX Corporate Governance Council and this statement sets out the extent to which the Company has complied with the ASX Principles during the financial year ended 30 June 2016.

THIS CORPORATE GOVERNANCE STATEMENT:

- outlines the key aspects of the Company's corporate governance framework;
- is structured and numbered in order of the principles set out in the ASX Principles;
- includes cross-references to other relevant information in this Corporate Governance Statement and the Company's charters, policies and codes, details of which are available under the Investor section of the Company's website www.mantragroup.com.au ('Company's corporate website'); and
- should be read in conjunction with the Directors' Report and the Remuneration Report (contained in the Company's Annual Report).

The information in this statement is current as at 18 August 2016 (unless otherwise indicated), and the Board approved this statement on 18 August 2016.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

FUNCTIONS RESERVED TO THE BOARD AND THOSE DELEGATED TO SENIOR MANAGEMENT

The Board acknowledges its role and responsibility in building and maintaining Security Holder value in the short and longer term while protecting the assets and reputation of the Company and ensuring the Company is properly managed taking into account all stakeholders.

Roles and responsibilities reserved for the Board and those roles and responsibilities delegated to Senior Management are set out in the Company's Board Charter, which is available on the Company's corporate website.

The Board Charter provides for the Board to delegate powers and responsibilities to Committees established by the Board. With the guidance of the Audit and Risk Management Committee and the Nomination and Remuneration Committee, the Board is responsible for overseeing those matters delegated to each Committee as set out in sections 4, 7 and 8 of this statement.

The Board Charter provides for the delegation of authority and power to the Chief Executive Officer (CEO) to conduct and manage the Company's business within levels of authority agreed from time to time by the Board. The CEO may delegate aspects of his authority and power but remains accountable to the Board for the operation and performance of the business. The CEO's role includes responsibility for the effective leadership of the Senior Management Team, the day to day management of the Company's operations and the development and implementation of strategic objectives for the business aimed at delivering increased Security Holder value.

The Board has responsibility for undertaking Director nomination matters and managing the process for selection, appointment and re-election of Directors, including engaging external consultants to identify and propose potential candidates.

The Board's policy with respect to the appointment and re-election of directors includes processes to undertake appropriate background and other checks and to provide all material information relevant to Security Holders in relation to election and re-election of Directors, as appropriate.

Terms and conditions of appointment including rights and obligations of Senior Management and the CEO are included in their respective employment contracts.

Terms and conditions of appointment including roles, responsibilities, powers, rights and obligations of Non-Executive Directors are set out in their respective letters of appointment.

The Board Charter provides that the Company Secretary is accountable to the Board through the Chair of the Board and to the CEO on corporate governance matters.

The Board Charter, which is reviewed on an annual basis, setting out the responsibilities, structure, guidelines for independence and other obligations of the Board, is available on the Company's corporate website.

DIVERSITY AND ANTI-DISCRIMINATION

The Company encourages diversity of Team Members and recognises the value that is gained from the range of skills, talents, backgrounds, perspectives and experiences throughout the business.

Diversity encompasses gender, age, ethnicity, cultural background, impairment or disability, sexual orientation and religion and forms a key part of the Company's People strategy. Policies supporting diversity include Flexible Working Arrangements, Parental Leave and Equal Employment Opportunities. The Company does not condone or tolerate unlawful behaviour or any form of discrimination, harassment or victimisation of Team Members, guests or any of its stakeholders.

Mantra Group prides itself on being a culturally rich, equal employment opportunity workplace that values diversity. Cultural diverse initiatives such as 'A taste of Harmony' are well supported by all Team Members.

The Company continues to follow best practice recruitment processes which base all key selection criteria on experience, merit and competency for each role, aimed at gender equality and promoting and accelerating the Women in Mantra program.

GENDER DIVERSITY

The Board is responsible, on an annual basis, for setting and reviewing objectives in relation to gender and other aspects of diversity to measure progress and report thereon in the Company's annual report.

The Company acknowledges gender diversity in its approach to increasing and retaining high quality employees and enhancing corporate image and reputation.

The Company reports under and continues to be compliant with the Workplace Gender Equality Act 2012.

The Board is committed to achieving 30% women participation on the Board by 2018.

The Women in Mantra program continues to gain momentum and during FY2016 focussed on the following key initiatives to promote women in leadership roles. In FY2017, the focus is to continue to progress and accelerate key projects implemented:

- Leadership development workshops for senior women leaders from within the Group.
- Implementation of individual development plans to assist in accelerating women into leadership roles
- Tracking and monitoring the number of applications received from men vs women in relation to senior roles
- Gender based salary comparison
- Implemented unconscious bias training
- Implemented policy on flexible working arrangements

	Actual – No. of Females 30 June 2016	Actual – % of Females 30 June 2016
No. of females on the Board	1	20%
No. of females in Management positions - CEO, all Senior Managers, General and other Key Managers (General and other Key Managers are Managers who report directly to Senior Management)	62	41%
No. of females employed (whole Company)	2,709	61%

A copy of the Diversity and Anti-Discrimination Policy is available on the Company's corporate website.

EVALUATING THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

An internal survey to evaluate and assess the performance and effectiveness of the Board, its Committees and individual Directors was undertaken in June 2016. The results of the survey will be used for ongoing development of the Board and Committees, as appropriate.

SENIOR MANAGEMENT PERFORMANCE EVALUATION

On an annual basis, in consultation with the CEO and CFO and considering the objectives and longer term strategies of the business, Key Performance Indicators (**KPIs**) for the CEO and CFO are set by the Board and their performance assessed and evaluated against these performance targets. In accordance with this process, a performance evaluation of the CEO, CFO, Michael Moret-Lalli and Tomas Johnsson (KMPs) which included an evaluation of FY2016 KPIs, was performed by the Board in August 2016. KPIs for FY2017 were established in June 2016 and performance against those KPIs will be evaluated in August 2017.

KPIs for the remainder of Senior Management, which align with objectives and strategies of the business aimed at increasing Security Holder value, are set on an annual basis and performance is assessed and evaluated by the CEO against these performance targets. KPIs for Senior Management for FY2017 were established in July 2016. A performance evaluation of Senior Management in relation to the FY2016 KPIs was performed by the CEO in August 2016.

SELECTION, APPOINTMENT PROCESS AND RE-ELECTION OF DIRECTORS

With guidance from the Nomination and Remuneration Committee and, where necessary, external consultants, the Board is responsible for identifying candidates with appropriate skills, experience, expertise and diversity in order to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board.

The Nomination and Remuneration Committee is responsible for comparing the skill base of existing Directors with that required for the current business and for future strategy to identify skills or attributes required in new Directors.

2. STRUCTURE THE BOARD TO ADD VALUE

The Board is comprised of Non-Executive Directors and the CEO of the Company.

The Board aims to ensure that its membership has the appropriate mix of skills, experience, expertise and diversity relevant to the Company's business and Board responsibilities and that the size of the Board is appropriate to meet the strategic objectives of the Company and to ensure that it is conducive to effective discussion and efficient decision-making. An assessment of the skills, experience and expertise of the existing Directors was performed in May 2016.

BOARD COMMITTEES

An Audit and Risk Management Committee and Nomination and Remuneration Committee have been established to assist the Board in carrying out its duties. Each of these Committees is comprised entirely of Non-Executive Directors, a majority of Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. Each Committee has a written charter setting out its roles and responsibilities, composition and structure which are reviewed on an annual basis. Following each meeting, the Committee reports to the Board in relation to its respective activities and recommendations. The charters are available on the Company's corporate website.

Refer to Sections 4, 7, and 8 of this statement for additional information relating to the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

The table below provides an overview of the key skills and experiences of the Board, on a collective basis, in the following areas:

SKILL/EXPERIENCE/KNOWLEDGE/EXPERTISE	NUMBER OF DIRECTORS
Leadership - includes holding either Executive and Non-Executive roles in listed and Non-listed companies)	5
Governance - relates to being a member of or holding the role of Chair of Audit or Risk Management or Remuneration and Nomination Committees of listed and Non-listed companies	5
Specific Industry (Hospitality and Tourism) related includes: <ul style="list-style-type: none"> • experience and or knowledge - Executive / Non-Executive roles; and • memberships of Associations/Government Bodies/Organisations 	4
International experience/knowledge or expertise in: <ul style="list-style-type: none"> • Global markets • Asia region 	5
Strategy experience/knowledge or expertise in: <ul style="list-style-type: none"> • Property management • Growth and business diversification • Mergers, Acquisitions • Strategic development and implementation 	5
Possessing experience, expertise, knowledge in the broad aspects of business acumen incorporating the following:	
Financial, Risk Management	5
Workplace Health & Safety	4
Legal, Compliance	4
Ecommerce	3
Marketing and Product Distribution	5
HR, Diversity, Corporate Social Responsibility	4
Investor Relations	5

INDEPENDENCE OF DIRECTORS

A majority of the Board is independent which enables independent judgement in respect of its decision-making process. In addition, the following measures promote and maintain independent judgement in relation to decision-making:

- a standard item on each Board Meeting agenda requires Directors to declare any conflicts of interest in addition to those already declared;
- Directors and Board Committee Members are permitted to seek independent professional advice at the Company's expense, subject to the approval of the Chair of the Board; and
- all Directors must act in the best interests of the Company at all times.

The Board considers thresholds of materiality for the purpose of determining 'independence' on a case-by-case basis. Factors to be considered in determining the independence status of Directors are detailed in the Board Charter, which is available on the Company's corporate website.

The Company's independent directors are Peter Bush (Chair of the Board), David Gibson, and Melanie Willis.

Peter Bush is free from any business or other relationship that could materially interfere with or influence, or reasonably be perceived to interfere with or influence the independent exercise of his judgement.

David Gibson is free from any business or other relationship that could materially interfere with or influence or reasonably be perceived to interfere with or influence the independent exercise of his judgement.

Melanie Willis is free from any business or other relationship that could materially interfere with or influence or reasonably be perceived to interfere with or influence the independent exercise of her judgement.

Andrew Cummins (Non-Executive Director) is currently considered not to be independent, given his previous association with EV Hospitality NV.

Bob East (Executive Director) is the CEO of the Company and therefore is not independent.

Additional information including experience, Directors in office at the date of this statement and the length of service of each Director, are set out in the Directors' Report of the Company's Annual Report.

Processes are in place for newly appointed Directors to undergo a practical induction in the form of meetings with the Chair of the Board, the Board, the CEO and Senior Management and are provided with relevant Company information including corporate governance material and policies.

At Board Meetings during the year, the Board is updated in relation to ongoing governance and industry related information required to perform their role as Directors effectively.

BOARD AND COMMITTEE MEETING ATTENDANCE

The Board held thirteen Board meetings, five Audit and Risk Management Committee Meetings and four Nomination and Remuneration Committee Meetings during FY2016. The number of meetings of the Board and of each Board Committee held and attended during FY2016 is disclosed in the Directors' Report of the Company's Annual Report.

3. ACT ETHICALLY AND RESPONSIBLY

CODE OF CONDUCT

The Company is committed to and promotes the highest standard of corporate values, practice and business conduct to ensure the Company operates its business honestly and fairly and in strict compliance with all laws and regulations. These values are incorporated into the Company's core philosophies. The Code of Conduct endorsed by the Board is designed to provide a benchmark for Directors, Officers, Team Members, Contractors, Consultants and other people who work at the Company (**Mantra Team Members**). The Code of Conduct clearly sets out the Company's commitment to behaving honestly and fairly and outlines the obligations of Mantra Group Team Members in carrying out their duties ethically. Responsibilities include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

All Mantra Group Team Members are required to understand and comply with their obligations under the Code of Conduct.

WHISTLEBLOWING POLICY

During the year, the Company implemented a Whistleblowing Policy further endorsing its commitment to a high standard of corporate compliance, ethical behaviour and a culture where all Team Members are encouraged to raise concerns or report unethical behaviour and misconduct without fear of possible adverse repercussions as a result.

A copy of the Code of Conduct and Whistleblowing Policies are available on the Company's corporate website.

4. SAFEGUARD INTEGRITY IN CORPORATE REPORTING

AUDIT AND RISK MANAGEMENT COMMITTEE - MEMBERS AT REPORTING DATE:

- Melanie Willis (Chair)
- David Gibson
- Peter Bush
- Andrew Cummins

Additional information including the relevant skills, qualifications and experience of the Committee Members at the date of this statement are set out in the Directors' Report of the Company's Annual Report.

At the reporting date and for the duration of the reporting period, the structure of the Committee:

- comprises only Non-Executive Directors;
- is chaired by an independent Director (who is not the Chair of the Board); and
- has at least three members.

The Board is of the opinion that, having regard to their combined experience, skill and financial and business acumen, the current members of the Committee have the appropriate accounting and financial expertise and understanding of the business and industry to be able to discharge its objectives and that each member brings independent judgement to the Audit and Risk Management Committee's deliberations.

The Audit and Risk Management Committee assists the Board in fulfilling its corporate governance responsibilities as well as overseeing the Company's internal control structure and risk management systems. The Committee's role, duties and responsibilities are set out in the Audit and Risk Management Committee Charter which is available on the Company's corporate website.

The Audit and Risk Management Committee undertakes to meet at least twice a year and as frequently as is required to undertake its role effectively. In FY2016, the Audit and Risk Management Committee met five times.

A copy of the Audit and Risk Management Committee Charter is available on the Company's corporate website.

CERTIFICATION OF FINANCIAL REPORTS

In relation to FY2016, the CEO and CFO provided a declaration to the Board, prior to the Board's approval of the Company's financial statements confirming that, in their opinion, the Company's financial records have been:

- properly maintained;
- that the financial statements comply with the appropriate accounting standards and present a true and fair view of the financial position and performance of the Company; and
- the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

EXTERNAL AUDITORS

The external auditor (PricewaterhouseCoopers) has declared its independence to the Board through its representations to the Audit and Risk Management Committee and has provided a Statement of Independence to the Board, confirming that they have maintained their independence in accordance with the provisions of APES 110 Code of Ethics for Professional Accountants and the applicable provisions of the *Corporations Act 2001*. It is PricewaterhouseCoopers' policy to rotate audit engagement partners on listed companies at least every five years. The current external audit engagement partner was appointed during the financial year ended 30 June 2014.

The policy relating to services that the Company may obtain from its external auditor is set out in the Audit and Risk Management Committee Charter. The Audit and Risk Management Committee is responsible for making recommendations to the Board on the appointment, re-appointment or replacement of the external auditor (subject to Security Holder ratification (as required)). An analysis of fees paid to the external auditor, including a breakdown of fees for non-audit services, is provided in the Directors' Report of the Company's Annual Report and in the notes to the financial statements. The performance of the external auditor is reviewed annually.

The external auditor is required to attend the Annual General Meeting and to be available to respond to Security Holder questions about the conduct of the audit and the preparation and content of the audit report. This requirement was complied with in respect of the Company's 2015 Annual General Meeting.

5. MAKE TIMELY AND BALANCED DISCLOSURE

The Board aims to ensure that Security Holders and other stakeholders are informed of all material matters and developments affecting the Company's state of affairs, and that the Company complies with its disclosure obligations under the *Corporations Act 2001* and the ASX Listing Rules. As such, the Company has adopted a Disclosure Policy which establishes procedures to ensure that Directors and Senior Management are aware of and fulfil their obligations in relation to providing timely, full and accurate disclosure of all matters concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

A copy of the Disclosure Policy is available on the Company's corporate website.

6. RESPECT THE RIGHTS OF SECURITY HOLDERS

The Board promotes and encourages effective communication with its Security Holders such that it provides appropriate information and facilities to enable Security Holders to exercise their rights effectively and efficiently. Information is communicated to Security Holders through the lodgement of all relevant financial and other information with the ASX in accordance with its continuous disclosure obligations as well as in the Investor section of the Company's corporate website following release to the ASX. The Company's corporate website also contains general information relating to the Company and its business.

To ensure prompt and efficient Security Holder communication as well as reducing costs and promoting environmental best practice, the Company encourages its Security Holders to opt to receive communications from and send communications to the Company and its share registry electronically.

To encourage participation, the Notice of each Annual General Meeting invites Security Holders to submit relevant questions to the Company prior to the Company's Annual General Meeting being held.

The Board acknowledges the importance and benefit of maintaining ongoing investor relations to allow investors and other market participants to gain a greater understanding of the Company's business and to facilitate effective communication between the Company and investors. Following the release of its half-year and full year financial results announcements, the Company conducts investor briefings and investor roadshows with institutional investor groups and analysts. These processes facilitate two-way communication with Security Holders and together with other scheduled and ad hoc interactions and meetings with institutional investor groups and analysts throughout the year, form the basis of the Company's managed investor relations program.

A copy of the Shareholder Communication Policy is available on the Company's corporate website.

7. RECOGNISE AND MANAGE RISK

The Board acknowledges the importance of identification and management of the Company's key risks. The Company has adopted a risk management policy appropriate for its business (which is incorporated in the Audit and Risk Management Committee's Charter).

The Board is responsible for overseeing and approving the Company's risk management strategies and policies. The Board has delegated to the Audit and Risk Management Committee responsibility for risk management to provide assurance that material business risks are identified, assessed and appropriately addressed.

In accordance with the Company's risk management framework which sets out the roles, responsibilities and internal control systems to manage the Company's material business risks, Senior Management regularly assesses the Company's risks and implements and monitors appropriate risk mitigation measures. The Board reviews the Company's risk framework and profile bi-annually. Risk assessments were undertaken by Senior Management in February and August 2016 and provided to the Board for review. The Board concluded that the level of risk and mitigating measures adopted by Management were appropriate for the business. The risk management process enables the CEO and CFO to provide the required declaration under section 295A of the *Corporations Act 2001*.

The Board is currently of the view that a formal internal audit function is not required as the internal procedures and processes can be relied on to ensure ongoing operational, corporate and financial compliance obligations are met. These processes include dedicated internal compliance management teams as well as the audit of respective property trust and body corporate accounts by independent external auditors. If required, specific internal audit functions can be outsourced.

The Audit and Risk Management Committee Charter which incorporates the Risk Management Policies is reviewed on an annual basis and is available on the Company's corporate website.

The Company monitors its exposure to all risks including economic, environmental and corporate social sustainability risks. Material business risks are set out in the Company's Annual Report. The Board does not consider that it has any material exposure to these risks, however, acknowledges that material exposure outside of its control may arise.

Corporate Social Responsibility (**CSR**) is recognised as a key priority at Mantra Group. Mantra Group has policies to support and encourage initiatives for managing responsible CSR programs.

Through the delivery of a number of engagement programs and partnerships, Mantra Group is continuously working to improve its level of social and ethical responsibility and create positive change within Mantra Group's four CSR cornerstones: community, workplace, environment and marketplace.

COMMUNITY

Mantra Group is proud to be connected with and support local communities in which we have customers, Security Holders, employees and other stakeholders.

Mantra Group and its Team Members support these communities via donations, fundraising events and sponsoring community partnerships. Mantra Group is an advocate against family violence and is committed to supporting the Luke Batty Foundation providing financial and other support via Team Member engagement in fund raising activities throughout the business. Numerous initiatives aimed at encouraging Team Member engagement in CSR initiatives as well as providing support to Team Members include:

- Establishment of an internal CSR committee to implement initiatives and drive engagement throughout the business;
- As part of its significant refurbishment program the Company re-cycles used furniture and fittings for the benefit of local charity organisations.

- Implementation of a domestic violence policy to support Team Members who may require assistance;
- Implementation of a Volunteer Leave policy enabling Team Members to support approved charity initiatives;
- Numerous initiatives and campaigns aimed at increasing awareness of the Luke Batty Foundation and its philosophies.

WORKPLACE

Mantra Group aims to be 'employer of choice'. Initiatives include:

- Conducts bi-annual internal surveys measuring Team Member satisfaction and engagement levels against key objectives. In FY2016, surveys focused on Team Member value proposition and internal recruitment. Overall Team Member satisfaction of 85.88% was achieved in FY2016 maintaining Team Member satisfaction ratings of over 85% since 2014.
- Launched an online learning platform enabling training and development to be conducted online. This allows Team Members to identify and undergo training options and opportunities resulting in efficient training and development. The platform provides the ability to extend the reach of training and development and efficiently extend training programs for all Team Members throughout the business regardless of location.
- Launched an online career platform enabling Team Members to manage their career development online and for Management to easily identify Team Member skills and expertise for internal recruitment and career development.
- Aimed at the development of future leaders, 'Emerging Leadership' programs provide Mantra Group potential leaders with leadership skills for future development.
- As part of its workforce sustainability program, Mantra Group employs approximately 100 trainees annually.
- During the year, 30,245 internal training hours and 2,371 external training hours were conducted.

WH&S

Mantra Group has a WH&S team dedicated to developing and implementing processes and measures to protect the health and safety of all stakeholders in the workplace aimed at reducing injury and risks. Programs, initiatives and undertakings during FY2016 include (but are not limited to):

- Conducting onsite inspections of over 1/3 of Mantra Group properties annually to ensure ongoing compliance with WH&S disciplines.
- Fire and identification of hazards training were two of the WH&S focusses in FY2016.
- A software program to efficiently manage compliance of onsite contractors was launched. This program is aimed at improving efficiencies and ongoing safety of all stakeholders.
- Managing WH&S injuries focussing on assisting, facilitating and enabling Team Members to appropriately return to work as soon as possible. This has also resulted in Workers Compensation Premiums remaining below industry levels.

ENVIRONMENT

The Company is committed to protecting and minimising the impact on the environment for the benefit of ongoing sustainability. Environmental sustainability is recognised as a business priority. The environmental policy extends to all Mantra Group operations and requires all Team Members to support environmental strategies and to consider, manage and reduce the negative impact of energy, waste, water and biodiversity resources in all areas of the business and at all Mantra Group properties.

Initiatives aimed at reducing cost, impact on and sustainability of the environment include:

- Participation in Earth Hour in 2016 by select Mantra Group properties.
- Identifying, implementing and endorsing environmental best practice processes and procedures which consider minimising the impact, amongst others, of printing, stationery, travel, freight, food waste, water consumption, energy usage and procurement, on the environment
- Providing ongoing environmental education and training to all Team Members and guests on minimising environmental impacts.
- A targeted initiative is currently underway aimed at reducing the Group's energy usage, cost and impact on the environment.

MARKETPLACE

Mantra Group is an ethical and socially responsible accommodation provider aligned with various industry related governing bodies, associations and government departments.

As part of its refurbishment program, approximately 80% of its refurbishment product sourced, is 'Australia made'.

8. REMUNERATE FAIRLY AND RESPONSIBILITY

NOMINATION AND REMUNERATION COMMITTEE - MEMBERS AT REPORTING DATE:

- David Gibson (Chair)
- Peter Bush
- Andrew Cummins
- Melanie Willis

At the reporting date and for the duration of the reporting period, the structure of the Committee:

- comprises only of Non-Executive Directors
- is chaired by an independent Director; and
- has at least three members.

The Board believes that, given its size, the current members of the Committee are appropriate to achieve its objectives (having regard to their experience and skills) and that each member brings independent judgement to the Nomination and Remuneration Committee's deliberations.

DIRECTORS AND KEY MANAGEMENT PERSONNEL REMUNERATION

The total annual amount of Directors' Fees payable to Non-Executive Directors is set by the Company's Security Holders and allocated by the Board on the basis of the roles undertaken by the Directors. Full details of Directors' remuneration appear in the Remuneration Report of the Company's Annual Report.

The Nomination and Remuneration Committee assists the Board in fulfilling its corporate governance responsibilities as well as overseeing the Company's nomination and remuneration policies and practices which aim to attract, retain and motivate high quality senior executives and ensure their interests are aligned with those of Security Holders.

As predicated by the Prospectus on IPO and in compliance with the Corporations Act, 2001 and ASX Listing Rule requirements, in FY2016, the Board granted performance rights to nominated senior executives and as approved at the 2015 Annual General Meeting to the CEO (executive Director), in accordance with the Company's Long Term Incentive Plan which are in line with industry standard terms.

The Nomination and Remuneration Committee undertakes to meet at least twice a year and as frequently as is required to undertake its role effectively. In FY2016, the Nomination and Remuneration Committee met four times.

The Committee's role, duties and responsibilities are set out in the Nomination and Remuneration Committee Charter which is reviewed annually and is available on the Company's corporate website.

SECURITIES TRADING POLICY

The Company's Securities Trading Policy, aimed at minimising the risk of actual or the appearance of insider trading, applies to the Company and its Directors, Company Secretary, Senior Management and other persons nominated by the Board from time to time (**Mantra Persons**).

The Company's Securities Trading Policy outlines conduct, procedures, closed trading periods and restrictions (including restrictions which limit entry by equity-based remuneration scheme participants into transactions which limit the economic risk of participating in the scheme) in relation to dealings in the Company's securities by Mantra Persons.