

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 2017

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

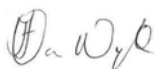
These pages of our annual report:

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 28 August 2017 and has been approved by the board.

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

Date: 28 August 2017



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 2017 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 ...
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (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>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (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>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (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 2017</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 2017</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 2017

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 ...
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (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 2017</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (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>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement (Section 7)</p>
7.4	<p>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 2017</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 2017</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 2017.

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 28 August 2017 (unless otherwise indicated), and the Board approved this statement on 28 August 2017.

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.

The Board has responsibility for 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 roles, responsibilities, powers, rights and obligations of Non-Executive Directors are set out in their respective letters of appointment.

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

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

The Board Charter which is reviewed on an annual basis sets out the responsibilities, structure and guidelines for independence and other obligations of the Board and 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 and perspectives 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 Team Member strategy. Policies, practices and initiatives are designed to encompass and support the Company's diversity strategy and include Flexible Working Arrangements, Parental Leave, Domestic Violence 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. The Company currently employs Team Members from approximately 69 countries. Cultural diverse initiatives such as the annual 'Taste of Harmony' event, implemented by the Company are well supported by all Team Members.

The Company continues to follow best practice recruitment processes which bases 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, reviewing and measuring objectives in relation to gender and other aspects of diversity.

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

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

The Board comprises 1/3 female Directors achieving its commitment to have at least 30% women participation on the Board by 2018.

The Women in Mantra program continues to gain momentum and during FY2017 focussed on its key initiatives to promote women in leadership roles. Unconscious Bias training was launched to coincide with International Women's Day 2017 has been delivered to over 300 Managers who are involved in Team Member recruitment and career development. A review of randomly selected Mantra Group recruitment advertisements, using a gender bias decoder as a measure to assess and ensure all Mantra Group advertisements are gender neutral, was undertaken in FY2017.

In FY2018, the focus is to continue to progress and accelerate key projects:

- Leadership development workshops for senior women leaders in the Company.
- 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
- Unconscious Bias Training

	Actual – No. of Females 30 June 2017 (Includes Australia, NZ, Indonesia and Hawaii)	Actual – % of Females 30 June 2017 (Includes Australia, NZ, Indonesia and Hawaii)
No. of females on the Board	2	33%
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)	109	37%
No. of females employed (whole Company)	3,164	58%

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 and its Committees was undertaken in May 2017. The results of the survey are used for ongoing development of the Board and Committees as appropriate.

SENIOR MANAGEMENT PERFORMANCE EVALUATION

On an annual basis, considering the objectives and long term strategies of the business, Key Performance Indicators (**KPIs**) for the CEO, CFO and COO are set by the Board and their performance assessed and evaluated against these performance targets. In accordance with this process, a performance evaluation, which included an evaluation of FY2017 KPIs, was performed by the Board in August 2017. KPIs for FY2018 were established in August 2017 and performance against those KPIs will be evaluated in August 2018.

KPIs for the remainder of Senior Management, which align with objectives and strategies of the business aimed at ongoing business performance 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 FY2017 KPIs was performed in July 2017.

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.

In FY2017, the services of an external consultant were engaged in the selection and appointment of Elizabeth Savage as an additional Independent Non-Executive Director of the Company, who was appointed on 18 November 2016. When reviewing potential director candidates, the Board has regard to generally accepted nomination criteria, expertise, experience and diversity required to meet current and future objectives of the Company.

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 of the Company to identify skills or attributes required in new Directors.

2. STRUCTURE THE BOARD TO ADD VALUE

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

The Board considers that its size, mix of skills, experience and diversity is appropriate to meet the current needs and future strategic objectives of the Company and is conducive to effective and efficient discussion and decision-making.

BOARD COMMITTEES

Audit and Risk Management and Nomination and Remuneration Committees have been established to assist the Board in carrying out its duties. Each of these Committees is chaired by an Independent Non-Executive Director and its members comprise entirely of Independent Non-Executive Directors. 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.

An assessment of the skills, experience and expertise of the Directors was performed in May 2017.

The matrix below demonstrates the range of skills and experience of the Board who, on a collective basis, have medium to high levels of skill, in the following areas:

SKILL/EXPERIENCE/KNOWLEDGE/EXPERTISE	NUMBER OF DIRECTORS (OUT OF 6)
Leadership including executive and non-executive roles	6
Governance	5
Hospitality, Tourism, Travel or other Complementary Industries	6
Global Markets	6
Strategy (including business development, growth, M&A)	6
Core Industry Related experience incorporating:	
Brand, Marketing, Distribution	6
Information and Digital Technology	4
Innovation	5
Stakeholder/Investor Relations	5
Broad aspects of business acumen incorporating the following:	
Financial Acumen	6
Risk Management	6
Legal and Compliance, Regulatory and Public Policy	4
HR, Diversity, Workplace Health and Safety, Corporate Social Responsibility	5

INDEPENDENCE OF DIRECTORS

All of the Non-Executive Directors are independent which enables independent judgement in respect of its decision-making processes. 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 Board Chair; 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.

All Non-Executive Directors (Peter Bush), David Gibson, Andrew Cummins, Melanie Willis and Elizabeth (Liz) Savage are 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 their respective judgement.

Kerry Robert (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 date of appointment 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 induction in the form of meetings with the Chairman, the Board, the CEO and Senior Management and participation in the Company's internal induction program. Relevant Company information including corporate governance material and policies is also provided to the Directors.

At Board Meetings during the year, the Board is regularly 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 eleven Board meetings, five Audit and Risk Management Committee Meetings and seven Nomination and Remuneration Committee Meetings during FY2017. The number of meetings of the Board and of each Board Committee held and attended during FY2017 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

A Whistleblowing Policy further endorses the Company's 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 is set out in the Directors' Report of the Company's Annual Report.

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

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

The Board is of the opinion that, having regard to the experience and financial acumen of the Chair of the Committee and the combined experience, skill and financial and business acumen, of the members, the Committee has the appropriate accounting and financial expertise and understanding of the business and industry to be able to discharge their 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 FY2017, 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 FY2017, 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 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 2016 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 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 environmentally 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.

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 2017 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.

The Board is currently of the view that a formal internal audit function is not required as internal procedures and processes can be relied on to ensure ongoing operational, corporate and financial compliance obligations are met. These processes include 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 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)

CSR is recognised as a priority at Mantra Group. Through the delivery of a number of engagement programs and partnerships, Mantra Group is continuously improving its level of social and ethical responsibility to create positive change within Mantra Group's four CSR cornerstones: Community, Environment, Marketplace and Workplace.

COMMUNITY

Mantra Group is proud to be connected with and support local communities in which we have customers, Security Holders, Team Members and other stakeholders. Mantra Group and its Team Members support these communities via donations, fundraising events and community partnerships. A Volunteer Leave policy enables Team Members to support approved charities and their initiatives throughout the year.

FY2017 achievements include:

- Ongoing support of the Luke Batty Foundation - the Regional CSR Committees assist in driving
- Team Member awareness by encouraging engagement in fundraising initiatives and campaigns raising \$100,000 for the Luke Batty Foundation in continued support of their advocacy against Family Violence
- Gifted over 2,000 gifts to underprivileged families in refuge and crisis accommodation facilities during the Christmas period.
- Provided financial and other support, including accommodation to local charities including the Salvation Army, Share the Dignity, Mission Educate and the Alison Baden Clay Foundation.
- As part of its significant refurbishment program, Mantra Group continues to recycle used furniture and fittings for the benefit of local charity organisations.

ENVIRONMENT

Mantra Group's commitment to protecting and minimising the impact on the environment is supported at all levels of the business. The environmental policy 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.

Mantra Group's Sustainability Committee is responsible for the ongoing improvement and development of Mantra Group's environmental platform. Mantra Group's business model often impedes its ability to operate under common environmental practices, however, is committed to creating positive environmental change in innovative ways. Ongoing education has minimised the business' environmental impact by identifying, implementing and endorsing best practice processes and procedures in relation to printing, stationery, travel, freight, food waste, water consumption and procurement.

Towards the end of FY2017, Mantra Group re-invigorated its Corporate Social Responsibility program to recognise the United Nations Year of Sustainable Tourism for Development. Data was gathered to determine the current sustainability of each property which will be used to set benchmarks and implement initiatives aimed at ongoing improvement.

FY2017 achievements include:

- 59 properties throughout Australia and New Zealand participated in Earth Hour 2017.
- A company-wide survey on property sustainability was conducted to capture current levels of participation for recycling, energy and water usage. These results will be used to implement best practice processes and procedures aimed at minimising the impact of Mantra Group's operations on the environment.
- Select properties throughout the business also participate in recycling initiatives such as Soap Aid,
- Mobile Muster, Planet Ark and Shred X.
- While sustainability is an ongoing focus, specific property achievements include:
 - o Mantra Observatory, Port Macquarie has been recognised as one of the only hotels in Australia to be 100% carbon neutral.
 - o Peppers Noosa Resort & Villas has partnered with the Noosa District Land Care Group working together on an initiative to offset the carbon footprint impact which means that for every day a conference delegate attends the property, a tree is planted in the endangered regional ecosystem. Since the start of this initiative, more than 2,000 trees have been planted.
 - o Ala Moana Hotel by Mantra, Hawaii received a Green Award by the Hawaii Green Business program in recognition of its commitment to caring for the natural environment and operating as an environmentally conscious and responsible hotel.

MARKETPLACE

Mantra Group is an ethical and socially responsible accommodation provider aligned with various governing bodies, associations and government departments. During FY2017, Mantra Group continued or extended its relationships with the following bodies:

- Tourism Australia
- Tourism and Events Queensland
- Signed a gold level partnership with the Australian Tourism Export Council (ATEC)

WORKPLACE

Mantra Group has strived to promote employee value proposition and to be recognised as an 'Employer of Choice'. During the year, Mantra Group launched a mobile online training program and online career platform. This platform enables Team Members to easily manage their career development and for Managers to efficiently identify Team Member skills and expertise for internal recruitment and career development. Internal leadership programs such as 'Emerging Leaders' and 'Rising Stars' provide Mantra Group potential leaders with skills for future development.

FY2017 ACHIEVEMENTS:

- Awarded the HRD Magazine Employer of Choice 2017. Also recognised as a top performer in the following categories:
 - o Career Progression
 - o Diversity and Inclusion
 - o Learning and Development
- Achieved overall Team Member satisfaction ratings of 86.3% - increasing from 85% in 2015 and 85.88% in 2016.
- More than 36,500 internal training hours and 7,500 external training hours were delivered to Team Members, an increase of 21% internal hours and 224% external hours.
- Trained an additional 100 trainees as part of Mantra Group's workforce sustainability program

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 and initiatives continued during FY2017 include:

- Onsite inspections of 1/3 of Mantra Group properties annually to ensure ongoing compliance with WH&S disciplines.
- Fire awareness focussing on training of fire wardens and Team Members and mock evacuation exercises with 88% of Australia and NZ Team Members receiving refresher training.
- A software program launched to manage compliance of onsite contractors was implemented across all Australia and NZ properties. The program was extended to include electrical and food safety compliance.
- Managing WH&S injuries focussing on assisting, facilitating and enabling Team Members to appropriately return to work as soon as possible. This also results in Workers Compensation Premiums being maintained.

8. REMUNERATE FAIRLY AND RESPONSIBLY

Nomination and Remuneration Committee - Members at reporting date:

- David Gibson (Chair)
- Peter Bush
- Andrew Cummins
- Liz Savage (replaced Melanie Willis effective 14 December 2016)

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

- comprised only Independent 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 that their interests are aligned with those of Security Holders.

In compliance with the Corporations Act, 2001 and ASX Listing Rule requirements, the Board granted performance rights to nominated executives and as approved at the 2015 and 2016 Annual General Meetings to the CEO (Executive Director), in accordance with the Company's Long Term Incentive Plan and in line with industry standard terms.

During FY2017, the Board engaged the services of an external remuneration consultant to review the overall senior executive remuneration structure to ensure that it aims to attract, retain and motivate quality senior executives to deliver growth in line with the long term strategies of the business and the interests of Security Holders. Key features of the revised remuneration structure are included in the Remuneration Report of the Company's Annual Report.

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 FY2017, the Nomination and Remuneration Committee met seven 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.