

Corporate Governance Statement

The Board recognises the importance of good corporate governance and establishing accountability of the Board and management.

The Board is reporting against the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations 2003 (ASX Recommendations). Tatts Group's corporate governance policies centre around the Board, the Board committees and the principles that govern their interaction with, and oversight of, management. The Board is satisfied with the Group's application of the principles in the ASX Recommendations and that the Group's corporate governance framework, policies and practices will ensure the continued effective management and operation of the Group.

Tatts Group's corporate governance framework, policies and practices will remain under regular review as expectations and requirements develop to ensure that Tatts Group continues to comply with industry practice.

The Role of the Board

The Board is committed to act in the best interests of Tatts Group to ensure that the Group is properly managed and consistently improved.

The principal role of the Board is to:

- Protect and enhance the interests of shareholders;
- Influence and monitor strategy;
- Oversee the management of Tatts Group and evaluate the performance of the Managing Director/Chief Executive and other executives;
- Provide guardianship of Tatts Group's corporate values;
- Monitor the integrity of financial reporting;
- Oversee risk management and legal compliance; and
- Oversee shareholder communications.

Board Composition

The minimum number of Tatts Group Directors is three and the maximum number is nine unless the shareholders resolve to vary that number. Tatts Group Directors are elected at Annual General Meetings of Tatts Group. The Board resolved, effective upon George Chapman's retirement, that it will be comprised of seven members. The Board currently comprises six non-executive Directors (after the recent retirement of George Chapman) and the Managing Director/Chief Executive. All Directors have entered into appointment agreements and deeds of indemnity, insurance and access.

The Managing Director/Chief Executive will not retire by rotation. Provided that Tatts Group has three or more Directors, one third of the Directors (rounded down to the nearest whole number) will retire at each Annual General Meeting. In any case, no Director may retain office for more than three years or after the third Annual General Meeting following the Director's appointment, whichever is the longer period. In each case, the retiring Director may then seek re-election.

Board Charter

The Board has developed a charter to provide a framework for the effective operation of the Board. The Charter addresses the following matters:

- Responsibilities of the Board;
- Relationship between the Board and management;
- Appointment and role of the Chairman;
- Composition of the Board;
- Performance of the Board;
- Board committees;
- Board meetings; and
- Access by Directors to independent advice.

A summary of the Board Charter may be found at www.tattsgroup.com/investors.

Independence of Directors

Each member of the Board is required to apply independent judgement to decision making in their capacity as a Director. In preparation for reporting against the revised ASX Recommendations, the Board reconsidered the factors it takes into account in assessing independence.

A non-executive Director will be considered independent by the Board if no relationship exists between the Director and Tatts Group that may interfere with the exercise of their independent judgement. The Board considers the factors outlined below when assessing the independence of each non-executive Director, being whether:

- The Director is or has been a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- The Director is or has been employed in an executive capacity by the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- The Director is or has been a material professional adviser or consultant to the Group or an employee materially associated with the service provided in the previous three years;
- The Director is a material supplier or customer of the Group or an officer of, or otherwise associated directly or indirectly with, a material supplier or customer; and
- The Director has a material contractual relationship with the Group other than as a Director.

Family ties and cross directorships may also be relevant in considering interests and relationships which may compromise a non-executive Director's independence. The test of whether a relationship is material is based on the nature of the relationship and the circumstances of the Director. Materiality is considered from the perspective of the Company, the Director and the person or entity with which the Director has a relationship.

The Board considers the factors relevant to assessing independence and determines the independence of its non-executive Directors, and the Board as a whole, each year. This review has recently been carried out in respect of members of the Board. All non-executive Directors were considered to be independent with the exception of Mr Bob Bentley, who is Chairman of Queensland Racing Limited which controls a material supplier to UNITAB Limited. The Board acknowledges that, in accordance with the ASX Recommendations, it has a majority of Directors (including the Chairman) who are considered to be independent.

Independent Professional Advice

External advice may be sought by a Director in accordance with the terms of the Director's appointment agreement.

Each non-executive Director's appointment agreement provides that:

- Professional advice generally in relation to the discharge of the Director's responsibilities to the Company may be sought;
- The Chairman must be notified before advice is sought;
- Any advice obtained may be given to the Board, if appropriate as determined by the Chairman; and
- The Company will reimburse reasonable expenses where the above procedures have been followed.

Director induction and professional development

Tatts Group has an induction program to facilitate immediate involvement in Board activities by any new Director.

Tatts Group also recognises that Board members must be provided with a range of opportunities for professional development. The Board encourages Directors to identify areas for professional development, and Tatts Group will provide the Directors with sufficient access to appropriate resources.

Board Committees

The Board has established appropriate committees to assist it in the discharge of its responsibilities. However, the Board will not delegate any of its decision making authority to those committees except as expressly specified in the Committee charters.

Composition of Board Committees

Role	Audit, Risk and Compliance	Governance and Nomination	Remuneration
Chairman	Brian Jamieson	Harry Boon	Julien Playoust
Members	Lyndsey Cattermole Julien Playoust Kevin Seymour	Bob Bentley Julien Playoust Kevin Seymour	Bob Bentley Brian Jamieson

Other committees may be established by the Board as and when required. Membership of Board Committees will be based on the needs of Tatts Group, relevant legislative and other requirements and the skills and experience of individual Directors.

The Board reviewed the performance of each Committee during the reporting period. Evaluation questionnaires were completed by the Board and Committee members, and results were compiled on a confidential basis and discussed, as relevant, at Board and Committee meetings. The results confirmed that the Committees were functioning in an appropriate manner.

The charter (or a summary thereof) of each Board Committee is available on the Company's website at www.tattsgroup.com/investors.