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ASX RELEASE

30 August 2011

The Manager

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgment

Dear Sir or Madam

Company Announcement

Attached are the following documents for release to the Market:

- Corporate Governance Statement

Yours sincerely

A handwritten signature in black ink, appearing to read 'A James'.

RCL Group Limited
ABN 49 119 517 985

RCL Group Trust
ARSN 119 613 848

RCL Group Services Limited
ABN 40 118 364 499

AFSL No. 298788

RCL GROUP CORPORATE GOVERNANCE STATEMENT 2011

INTRODUCTION

This statement reflects RCL Group's (**RCL**) corporate governance framework as at 29 August 2011. A copy of this statement and other documents (or summaries thereof) can be accessed and downloaded from the Corporate Governance section on our website at www.rclgroup.com.au/.

RCL comprises:

- RCL Group Limited ACN 119 517 985 (**RCLGL**), an Australian public company;
- RCL Group Trust ARSN 119 613 848 (**RCLGT**), an Australian trust of which RCL Group Services Limited ACN 118 364 499, AFSL No 298788 (**RCLGS**) is the responsible entity; and
- the respective subsidiary entities of each of RCLGL and RCLGT.

Any reference contained in this statement to RCLGS is a reference to RCLGS in its capacity as responsible entity of RCLGT, unless otherwise indicated.

Each RCLGL share is stapled to a RCLGT unit. RCL Stapled Securities are quoted on the Australian Securities Exchange under the market code ASX: RLG.

The RCLGL Board, together with the RCLGS Board (the **Boards**), is responsible for overseeing the rights and interests of all investors and is accountable to them for the overall governance and management of RCL. The RCLGL Board, in consultation and agreement with the RCLGS Board, formulates and approves the strategic direction, investment objectives and goals of RCL.

The establishment of a sound framework of corporate governance and the implementation of the corresponding governance culture and processes throughout RCL is one of the primary responsibilities of the Boards. The Boards recognise that they are accountable to securityholders for the performance of RCL and, to that end, are responsible for instituting and ensuring RCL maintains a system of corporate governance that operates in the best interests of securityholders whilst also addressing the interests of other key stakeholders. A comprehensive corporate governance framework and good governance policies and procedures can add to the performance of RCL, the creation of securityholder value and engender the confidence of the investment community.

The ASX Limited's Corporate Governance Council issued in August 2007 a revised set of guidelines entitled *Corporate Governance Principles and Recommendations*. These guidelines articulate 8 core principles (**ASX Principles**) that the Council believes underlie good corporate governance, together with 27 recommendations (**ASX Recommendations**) for implementing effective corporate governance.

The ASX Listing Rules require listed entities such as RCL to include a statement in their annual report disclosing the extent to which they have followed the 8 ASX Principles and 27 ASX Recommendations during the reporting period, identifying any ASX Recommendations that have not been followed and giving reasons for that variance. RCL's Corporate Governance Statement is structured with reference to the ASX Recommendations. Areas not fully complied with are disclosed under the relevant principle. All of the corporate governance practices referred to herein were in place for the entire year ended 30 June 2011 unless otherwise indicated.

INTERACTION BETWEEN THE ROLES OF RCLGL AND RCLGS

Although, in practice, RCLGL was primarily responsible for conducting the day-to-day operations of RCL during the 2011 Financial Year, it did and will continue to consult and exchange information with, and seek the agreement of, RCLGS when making decisions in relation to RCL in accordance with the terms of the stapling deed (**Stapling Deed**).

The Stapling Deed sets out the terms and conditions of the relationship between RCLGL and RCLGS in respect of RCL, for so long as the units in RCLGT and shares in RCLGL remain stapled. In summary, the Stapling Deed provides that each of RCLGL and RCLGS must:

- co-operate in respect of all matters relating to RCL and consult with the other prior to causing any act to be done or omission to be made which may materially affect the value of RCL Stapled Securities (including the announcement or payment of a dividend or trust distribution);
- make available to the other all information in its possession necessary or desirable to fulfil its respective obligations under the Stapling Deed, and make available to the other all information and provide all assistance in relation to the preparation of financial accounts;
- co-operate with the other to ensure that each complies with its obligations under the ASX Listing Rules (including disclosure obligations), co-ordinate disclosure to the ASX and investors, and liaise with the ASX in relation to ASX Listing Rule matters;
- perform its obligations under the Stapling Deed and its respective constitution with a view to enhancing the market value of RCL Stapled Securities;
- notify the other of an intention to acquire or sell assets where the value of those assets is greater than 5% of the entity's net tangible assets (RCLGS may only invest in additional material assets where management of the proposed investment has first been approved by the RCLGL Board of Directors);
- act consistently with the investment strategy of RCL as agreed between them and consult with the other on implementation of this strategy and any changes to its implementation;
- not borrow or raise any money unless the other agrees;
- co-operate to ensure that RCLGL shareholder and RCLGT unitholder meetings are held concurrently or, where necessary, consecutively; and
- consult with the other in relation to any reorganisation or restructure of capital or any changes to stapling arrangements, and not cause a placement, rights issue, distribution or dividend reinvestment plan, buy-back, repurchase or redemption without the prior consent of the other.

Therefore, as indicated, it is by operation of the Stapling Deed that the Boards of RCLGL and RCLGS (as responsible entity of RCLGT) are together responsible for overseeing the rights and interests of securityholders in RCL and accountable to securityholders for the overall corporate governance and management of RCL.

COMPLIANCE WITH THE ASX RECOMMENDATIONS

As at the date of this Corporate Governance Statement, each of the Boards of RCL advise that their corporate governance practices are in compliance with the Recommendations, except where specifically noted in this Corporate Governance Statement.

ASX Principle 1: Lay solid foundations for management and oversight

Companies should establish and disclose the respective roles and responsibilities of board and management.

ROLE OF THE RCL BOARDS AND MANAGEMENT

ASX Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions

On 11 June 2009, RCL announced that it has reached an in principle agreement with Babcock & Brown International Pty Ltd regarding the management rights of RCL. As part of this process, on 3 July 2009, RCL employed David Wightman to perform the role of Chief Executive Officer.

From 24 December 2009, the previous Management Agreements with RCL ceased, although transitional services were provided up to 13 April 2010. RCL finalised its separation from the Babcock & Brown Group and fully integrated management into RCL on 13 April 2010.

With the acquisition of the Management Agreements from Babcock & Brown by RCL, the Boards are no longer required to consider any recommendations put to them by the Manager.

The Boards have each adopted a formal *Board Charter* which details the functions and responsibilities of the relevant Board and distinguishes such functions and responsibilities from those which have been delegated to the Manager. A summary of the *Board Charters* is available in the Corporate Governance section on RCL's website at www.rclgroup.com.au/.

As outlined in the respective *Board Charters*, the Boards are together responsible for the management of the affairs of RCL. Specific matters reserved for determination by the Boards, include amongst other things:

- developing and approving the corporate strategy, policy and objectives of RCL;
- determining RCL's distribution policy;
- evaluating and approving major capital expenditure and all major acquisitions, divestitures and other transactions of RCL
- approving all accounting policies, financial reports and material reporting of RCL;
- reviewing and evaluating the performance of the Boards, each Board committee, and each individual Director; and
- reviewing the performance and effectiveness of RCL's corporate governance policies and procedures.
- approving contracts, commitments and capital expenditure above specified thresholds and limits determined by the Board from time to time;
- approving expenditure outside the ordinary course of business in excess of thresholds or limits specified by the Board for this purpose;
- major strategic decisions;
- adoption of RCL's annual budget;
- approval of financial reports and accounts for RCL which are to be lodged with any regulator, including the ASX;
- the issue of equity securities by RCL, except under a programme previously approved by the Boards; and
- commencing or taking a significant step in major litigation.

The Board has delegated a number of responsibilities to its Committees. The responsibilities of these Committees are detailed in Principle 2 below.

The Board Charters also set out the specific powers and responsibilities of the Chairman and the CEO (see Principle 2 below).

Each of the two Boards acts separately and independently of each other and where there is a joint responsibility between RCLGL and RCLGS over aspects of RCL's operations, the Boards will only have responsibility to the extent of their own specific involvement in those operations. However, the Boards will co-operate to the extent required under the Stapling Deed in meeting those joint responsibilities to ensure that the interests of RCL securityholders are met.

The Board Charters also include a summary of the responsibilities of each Director. To assist Directors to understand RCL's expectations of them, all Directors have been provided with copies of relevant Board Charters and policies.

ASX Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives

The Nomination, Governance & Remuneration Committee of the RCLGL Board has responsibilities relating to the review and monitoring of the performance of the Boards, the Chairman, the Chief Executive Officer and other individual members of the Boards, and for establishing key performance indicators against which the performance of the CEO and other key management personnel in the management team are evaluated.

Following the announcement of 11 June 2009 regarding RCL's management rights, RCLGL's Nomination, Governance & Remuneration Committee is formulating key performance indicators for the Chief Executive Officer and his key management personnel. Short and long term incentive plans are also being established as part of the remuneration structure and any incentive plan requiring securityholder approval will be considered at the following Annual General Meeting.

Details of the total remuneration, including any bonuses, of the CEO and other key management personnel in the management team are set out in the Remuneration Report.

ASX Principle 2: Structure the Board to add value

Companies should have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

STRUCTURE OF THE BOARD

ASX Recommendation 2.1: A majority of the board should be Independent Directors

The size and composition of each of the Boards is determined in accordance with the Constitution of the relevant entity. It is intended that each of the Boards will comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds, and will comprise either a majority of independent Directors or, at a minimum, an equal number of independent and non-executive Directors.

Overall, the Boards are comprised of directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. The Boards consider that collectively, the directors have the range of skills, experience and expertise necessary to appropriately govern RCL.

Details of the Directors skills, experience and expertise relevant to their position and their term in office and details of their attendance at Board and/or Committee meetings are set out in the Directors' Report of the 2011 Annual Report.

The Directors appointed to the respective Boards, at any time during the period, along with their appointment dates, are set out below:

Name	Position	RCLGL Board Appointment	RCLGS Board Appointment
Robert Wright	Independent Non-Executive Chairman	31/05/06	31/05/06
Richard Gelski	Independent Non-Executive Director	31/05/06	31/05/06
Chris Langford	Independent Non-Executive Director	31/05/06	27/04/10
Simon McTigue	Independent Non-Executive Director	27/04/11	27/04/11
Michael Maxwell*	Non-Executive Director	31/05/06	15/02/06

Robert Wright was appointed independent Chairman on 18 June 2008. Prior to that date, Non-executive director, Michael Maxwell was Chairman from May 2006.

*Michael Maxwell resigned as a Director of RCLGL and RCLGS Boards effective from 27 April 2011.

The continued tenure of each individual Director is subject to re-election from time to time in accordance with the Constitutions of RCLGL and RCLGS.

The Boards have each determined the independent status of each Director utilising the criteria set out in Recommendation 2.1 Both Boards comprise a majority of independent Directors for the entirety of the 2011 Financial Year.

BOARD COMMITTEES AND MEMBERSHIP

The Boards have established committees to support an effective governance framework and to advise and support the Boards in carrying out its respective duties. The Chairman of each committee reports on any matters of substance at the next full Board meeting and all committee minutes are provided to the Board. The committees in existence at the date of this report are as follows:

- The RCLGL Audit & Risk Management Committee;
- The RCLGL Nomination, Governance & Remuneration Committee; and
- The RCLGS Audit, Risk & Compliance Committee

Each committee has its own *Charter* setting out the authority under which each committee operates and the responsibilities as delegated by the Boards. *Charters* are reviewed annually and membership criteria are based on a director's skills and experience as well as their ability to add value to the Committee. The Managing Director, prior to his resignation, attended all committee meetings by invitation and non-executive directors may attend any meeting of a committee.

The Board committees and their membership as at 30 June 2011 are set out in the following table:

	Audit, Risk & Compliance Committee	Audit & Risk Management Committee	Nomination, Governance & Remuneration Committee
Robert Wright	√	√	Chair
Richard Gelski	Chair	Chair	√
Chris Langford	√*	√*	Chair
Simon McTigue	√*	√*	√

NOTE: Messrs Langford and McTigue were appointed to all Committees on 23 May 2011. Mr Wright retired as Chairman of the Nomination, Governance & Remuneration Committee on 23 May 2011 and Mr Langford was appointed in his place. Mr Maxwell resigned as a member of all Committees effective from 27 April 2011.

ASX Recommendation 2.2: The chairperson should be an independent Director

Robert Wright was appointed independent Chairman on 18 June 2008.

To ensure that there is an appropriate balance in the manner in which the Directors discharge their responsibilities and an independent review of the performance of management, the Boards have:

- established an Audit, Risk & Compliance Committee and an Audit & Risk Management Committee comprising of a majority of independent Directors and a Nomination, Governance & Remuneration Committee comprising of a majority of independent Directors;
- established protocols for dealing with conflicts of interest. In particular, the Boards have put in place a range of internal policies designed to ensure that the interests of securityholders are at all times preferred to those of Directors and that any actual or potential conflicts of interest are promptly disclosed and dealt with by the Directors. These include the Board Charter, the Code of Conduct and the Security Trading Policy;
- ensured that significant matters affecting RCL are reserved for consideration by the full Board, for example major strategic decisions, capital expenditure above specified thresholds and expenditure outside the ordinary course of business; and

- ensured that any Director is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at RCL's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures set out in the Board Charter. No director availed himself of this right during the year.

ASX Recommendation 2.3: The roles of chair and chief executive officer should not be exercised by the same individual.

The roles of Chairman and Chief Executive Officer are not exercised by the same individual for RCL. The Board Charters provide that the roles of the Chairman and Chief Executive Officer must not be exercised by the same person. The respective roles and responsibilities of the Chairman and the Chief Executive Officer are described in the Board Charters.

ASX Recommendation 2.4: The Board should establish a nomination committee

The RCLGL Board has established a Nomination, Governance & Remuneration Committee which is responsible for advising the Boards on the composition of the Boards and their Committees, reviewing the performance of the Boards, their Committees and individual Directors and advising the Board on appropriate corporate governance standards and policies.

In making recommendations to the Boards regarding the appointment of Directors, the Nomination, Governance & Remuneration Committee periodically assesses the appropriate mix of skills, experience and expertise required on the relevant Board and assesses the extent to which those skills and experience are represented.

As RCL develops its existing asset base and continues to seek further investment opportunities, the Nomination, Governance & Remuneration Committee will review the composition of the Boards to ensure they remain appropriate.

The Nomination, Governance & Remuneration Committee is comprised of three members of the RCLGL Board, and contains a majority of independent non-executive Directors. The Committee is chaired by the independent Chairman.

The attendance of the Committee members at Committee Meetings is disclosed in the Directors Report.

The Nomination, Governance & Remuneration Committee has adopted a Charter, a summary of which is available on RCL's website. The responsibilities of the Committee pursuant to its Charter include:

NOMINATION

In relation to its nomination function, the Committee will:

- review and advise the Boards on the composition of the Boards and their Committees;
- periodically assess the skills required to discharge the Board's duties, having regard to the strategic direction of the Group;
- propose candidates for directorships for consideration by the Board having regard to the desired composition of the Boards as stated in their Board Charters;
- inform the Boards of the names of Directors who are retiring in accordance with the provisions of the relevant Constitutions and make recommendations to the Boards as to whether the Boards should support re-nomination of that retiring Director;
- establish and facilitate an induction programme for new Directors with all such information and advice which may be considered necessary or desirable for the Director to commence their appointment;
- identify any specific responsibilities of individual Board members, including the Chairman and the Chief Executive Officer;

- review succession planning for the Chairman, Chief Executive Officer and other senior management of the Group and provide advice to the Boards on progress; and
- review the membership and performance of other Board Committees and make recommendations to the Boards.

REMUNERATION

- critically review the performance and effectiveness of the Chairman, the Managing Director/Chief Executive Officer, the Board and its individual members against the relevant charters, corporate governance policies and agreed goals and objectives at least once per year;
- review and advise the Board on the Remuneration Report to be disclosed in the Company's annual financial report; and
- make recommendations to the Board for determining the level of remuneration to be applied to the independent directors.

GOVERNANCE

- review developments in corporate governance in Australia and internationally that may be relevant to the Group and to the expectations of the investor market and other stakeholders;
- monitor the corporate governance requirements of regulators, including the Australian Securities and Investments Commission and the Australian Securities Exchange;
- review ethical guidelines and standards for directors;
- advise the Board on corporate governance standards, and on the adoption or amendment of corporate governance policies that would be appropriate for the Group;
- review annually the Group's compliance with its corporate governance policies and procedures, and report to the Board on the results of the review together with any recommendations of the Committee; and
- assist the Board to prepare the Group's corporate governance disclosure statements in its Annual Report.

ASX Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its Committees and individual Directors.

The Nomination, Governance & Remuneration Committee informs the RCLGL Board of the names of Directors who are retiring in accordance with the provisions of the Constitution of the Company and makes recommendations to the Board as to whether it should support the re-nomination of such retiring Directors. In order to make such recommendations, that Committee first reviews the retiring Director's performance during the period in which the Director has been a member of the RCLG Board.

The Nomination, Governance & Remuneration Committee also reviews the membership and performance of the various committees established by the Board and makes recommendations to the Boards in that regard. A member of the Committee will not participate in the review of their own performance and must not be present for discussions at a Committee meeting on, or vote on a matter regarding, his or her election, re-election or removal.

The Nomination, Governance & Remuneration Committee undertook a performance evaluation of the Board as a whole, its committees and individual members during the 2011 financial year. Each director was provided with a detailed questionnaire which was then used to facilitate a discussion with the Chairman. The Boards as a whole were provided a summary of the discussions that had taken place and reviewed the findings. The Boards were satisfied with regard to the individual and collective performance of the directors and there were no significant issues that required attention.

The Nomination, Governance & Remuneration Committee is also responsible for establishing and facilitating an induction programme for new Directors and making available to them

sufficient information and advice to allow them to participate fully and actively in board decision-making at the earliest opportunity.

The Boards and their Committees may seek advice from independent experts whenever it is considered appropriate. As noted above, individual Directors, with the consent of the Chairman, may seek independent professional advice on any matter connected with the discharge of their responsibilities, at the Group's expense.

ASX Principle 3: Promote ethical and responsible decision-making

Companies should actively promote ethical and responsible decision-making

CODE OF CONDUCT

ASX Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code.

The Boards are committed to delivering returns and securityholder value whilst also promoting securityholder and general market confidence in RCL and to fostering an ethical and transparent culture within RCL.

To this end, each RCL Board has adopted a formal *Code of Conduct* which is designed to ensure that high standards of corporate and individual behaviour are observed by all Directors and employees in relation to all of RCL's activities; and

The Code of Conduct requires Directors, employees of RCLG, among other things, to:

- avoid conflicts of interest between their personal interests and those of RCL and its clients;
- not take advantage of opportunities arising from their position for personal gain or in competition with RCL; and
- comply with RCL's Security Trading Policy and other policies.

The Code of Conduct requires Directors and employees of RCLG, to report any actual or potential breach of the law, the Code of Conduct or other RCL policies. In accordance with RCL's *Whistleblowing Policy*, RCL promotes and encourages ethical behaviour and provides protection for those who report violations. A copy of the Code of Conduct is available on RCL's website.

In addition to the Code of Conduct, the Board Charters require that all Directors conduct their duties with the highest level of honesty and integrity, observe the rule and spirit of the law, comply with any relevant ethical and technical standards, not make improper use of any confidential information, and set a high standard of fairness, diligence and competency in their position as a Director.

RCL recognises that it has a number of legal and other obligations to its non-securityholder stakeholders, including employees, clients and the wider community.

As outlined above, RCL has established a Code of Conduct requiring Directors and employees to observe high standards of corporate and individual behaviour. The objectives of the Code include ensuring that employees, suppliers, clients and competitors can be assured that RCL will conduct its affairs in accordance with ethical values and practices.

Employees are required to comply with both the spirit as well as the letter of the ASX Listing Rules and all laws which govern the operations of RCL. The Code of Conduct specifically requires all employees to always deal with securityholders, clients, customers, suppliers, competitors and other employees in a manner that is lawful, diligent and fair and with honesty, integrity and respect.

RCL notes the ASX Corporate Governance Council's diversity recommendations under the Corporate Governance Principles and Recommendations with 2010 Amendments. RCL notes that for companies having a financial year beginning on 1 July, disclosure will be required in relation to the financial year ending 30 June 2012 and will be made in the annual report published by the end of October 2012.

ASX Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy

RCL intends to develop and release a diversity policy during FY 2012.

ASX Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

RCL will develop and introduce measurable objectives for achieving gender diversity during FY 2012.

ASX Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

RCL will commence reporting the proportion of women employees in the whole organisation, in senior executives positions, and on Boards in the annual report to be published by the end of October 2012.

ASX Principle 4: Safeguard Integrity in Financial Reporting

Companies should have a structure to independently verify and safeguard the integrity of their financial reporting

AUDIT, RISK & COMPLIANCE and AUDIT & RISK MANAGEMENT COMMITTEES

ASX Recommendation 4.1: The board should establish an audit committee

The Boards are committed to the basic principle that RCL's financial reports are true and fair and comply with the relevant accounting standards. To assist the Boards with this commitment, an Audit & Risk Management Committee has been established for RCL Group Limited, and an Audit, Risk & Compliance Committee has been established for RCL Group Services Limited which are responsible for advising the Boards on internal controls and appropriate standards for the financial management of RCL. It is the Boards' responsibility to ensure that an effective internal control system is in place across RCL.

This includes internal controls to deal with both the effectiveness and the efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The Boards have delegated the responsibility for the establishment and maintenance of the company's system of internal control to the Audit, Risk & Compliance Committees.

The respective Committees oversee the financial reporting process, the systems of internal control and risk management, the audit process and RCL's processes for monitoring compliance with laws and regulations.

The respective Committees provide advice to the Boards and reports on the status of the business risks to RCL through its risk management processes aimed at ensuring risks are identified, assessed and properly managed.

The respective Committees work on behalf of the Boards with the external auditor and reviews non-audit services provided by the external auditor to confirm that they are consistent with maintaining external audit independence.

ASX Recommendation 4.2: The audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not the chair of the board; and
- has at least three members

At the date of this statement, each Committee is wholly comprised of independent non-executive Directors. Each Committee comprises Mr Richard Gelski (Independent Non-Executive Committee Chairman), Mr Robert Wright (Independent Non-Executive Committee Member), Mr Christopher Langford (Independent Non-Executive Committee Member) and Mr Simon McTigue (Independent Non-Executive Committee Member). All members possess the requisite financial expertise.

The attendance of the Committee members at Committee Meetings is disclosed in the Directors' Report.

The structure of the Committees accords with ASX Recommendation 4.2 in that the Committee comprises a majority of independent Directors, has an independent chairman who is not the chairman of the Boards and has at least three members.

The Committees generally meet as required but normally not less than four times per year and report to their respective full Board following each Committee meeting, including making any recommendations from the Committees that require Board approval or action. The Committees met four times in the period to 30 June 2011 and all Committee Members attended each Committee meeting during the period in which they were appointed. The Directors who were not members of each Committee also attended a number of Committee meetings.

ASX Recommendation 4.3: The audit committee should have a formal charter

The Audit, Risk & Compliance Committees have each adopted a Charter. The responsibilities of the Committees pursuant to their respective its Charters include:

FINANCIAL REPORTS FOR THE HALF YEAR AND FULL YEAR

- review and consider the financial reports for the half year and full year;
- consider in connection with the half year and full year financial reports the CEO and CFO letter of representation to the Boards;
- review the financial sections of the annual report and related regulatory filings before release;
- review with management and the external auditors the results of the audit;

INTERNAL CONTROL

- review the effectiveness of RCL's internal controls regarding all matters affecting RCL's financial performance and financial reporting, including information technology security and control;
- review the scope of internal and external auditors' review of internal control, review reports on significant findings and recommendations, together with management's responses, and recommend changes from time to time as appropriate;

INTERNAL AUDIT

- review with the Manager and the internal auditor, the charter, plans and activities of the internal audit activity;
- meet with the internal auditor to review reports and monitor management response;
- meet separately, when necessary, to discuss any matters that the Committee or internal audit believes should be discussed privately;

- review the effectiveness of the internal audit activity;
- ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement or dismissal of the internal auditor;

EXTERNAL AUDIT

- review the external auditors' proposed audit scope and approach;
- meet with the external auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or auditors believe should be discussed privately without the presence of management;
- recommend to the Boards policies regarding independence of the external auditor;
- review and confirm the independence of the external auditors;
- review the performance of the external auditors, and consider the re-appointment and proposed fees of the external auditor and, if appropriate, conduct a tender of the audit for the review of the Boards. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Boards;

COMPLIANCE

- Monitor to what extent the Responsible Entity complies with the Trust's Compliance Plan and report on its findings to the Board.
- Report to the Board:
 - any breach of the Corporations Act involving the Trust;
 - any breach of the Trust's Constitution,
 - of which the Committee becomes aware or that it suspects.
- Report to the Australian Securities and Investments Commission if the Committee is of the view that the Responsible Entity has not taken, or does not propose to take, appropriate action to deal with a breach of the Corporations Act or the Trust's Constitution.
- Assess at regular intervals whether the Compliance Plan is adequate, report to the Board on the assessment and make recommendations to the Board of the Responsible Entity about any changes that the Committee considers should be made to the Compliance Plan.
- Obtain regular updates from management and the Trust's compliance manager regarding compliance matters.
- Review the effectiveness of the system for monitoring compliance with laws and regulations affecting the Trust and the Responsible Entity (in its capacity as responsible entity of the Trust) and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies.
- Review the process for communicating the code of conduct to the Responsible Entity's personnel, and for monitoring compliance therewith.

RISK MANAGEMENT

- Consider the overall risk management framework for RCL and review its effectiveness in meeting sound corporate governance principles and keep the Boards informed of all significant business risks;
- review with the Manager the system for identifying, managing and monitoring the key risks of RCL;
- obtain reports from management on the status of any key risk exposures or incidents;

REPORTING RESPONSIBILITIES

- regularly report to the Boards about Committee activities, issues and related recommendations;
- provide an open avenue of communication between internal audit, the external auditors and the Boards. For the purpose of supporting the independence of their function, the external auditor and the internal auditor have a direct line of reporting access to the Committee;

- report annually to the securityholders on matters relating to Committee responsibilities as required by law or the ASX Listing Rules;
- review any other reports the Company issues that relate to Committee responsibilities.

The Committee meets at least four times a year and reports to the full Board following each meeting, including in respect of recommendations of the Committee that require RCL Board approval or action.

INTERNAL AUDIT

The Boards have overall responsibility for RCL's systems of internal control, supported by the Audit, Risk & Compliance Committees. RCL did not have an internal audit function during the period to 30 June 2011. Appointment of an internal auditor has been considered by the Audit, Risk & Compliance Committees and although the Committees believe that the appointment of an internal auditor as unnecessary at this time, they periodically assess the appointment of an internal auditor.

RCL continued to enhance the RCL risk management framework during the year.

To assist the Boards and the Audit, Risk & Compliance Committees to discharge their respective responsibilities, the CEO (or the Managing Director) and the Chief Financial Officer are required to provide the Boards with a letter of representation in connection with the half-year and full-year financial statements of RCL. Such letter of representation confirms to the Boards that RCL's financial reports present a true and fair view, in all material respects, of RCL's financial condition and operational results and are in accordance with relevant accounting standards. The letter describes the process and evidence that the Chief Executive Officer and Chief Financial Officer have adopted to satisfy themselves on these matters.

In respect of the 12 months ended 30 June 2011, the Chief Executive Officer and Chief Financial Officer provided such a letter to the Boards (refer to "CEO's and Chief Financial Officer's Declaration" in the Director's Report).

A summary of the *Audit, Risk & Compliance Committee Charters* are available in the Corporate Governance section on RCL's website.

ASX Principle 5: Make Timely and Balanced Disclosure

Companies should promote timely and balanced disclosure of all material matters concerning the company.

CONTINUOUS DISCLOSURE POLICY

ASX Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

RCL is committed to complying with its continuous disclosure obligations pursuant to the Corporations Act and the ASX Listing Rules. RCL's Continuous Disclosure Policy is designed to ensure that all investors have equal and timely access to material information concerning the Company. RCL has complied at all times with the ASX Listing Rules on continuous disclosure.

The Policy is designed with the intention of ensuring that all investors have equal and timely access to information concerning RCL, and to ensure that price-sensitive information from any part of RCL is immediately notified to the ASX in a complete, balanced and timely manner.

The Company Secretary, in conjunction with the Chairman and the Chief Executive Officer, is responsible for overseeing the implementation and operation of the Policy. The Company

Secretary is responsible for reviewing information reported by the Directors or staff and which is or may be material, determining with the Chairman and the Chief Executive Officer whether any such information is required to be disclosed to the ASX, and making ASX announcements and issuing media releases and other written public statements on behalf of RCL. Directors and staff of RCL are required to ensure that they are familiar with the Policy, report material information to the Company Secretary to allow a view to be formed as to whether the information requires disclosure.

In addition, Boards are actively and regularly involved in discussing disclosure obligations in respect of all major matters that come before it.

The Company Secretary is primarily responsible for communications with the ASX and for overseeing and maintaining the Continuous Disclosure Policy.

A summary of the Continuous Disclosure Policy is available in the Corporate Governance section on RCL's website.

CONTINUOUS DISCLOSURE PROCESSES

The specific processes adopted by RCL in relation to its continuous disclosure responsibilities are as follows:

- **website:** all information released to the ASX is posted on the Investor Information section of RCL's website as soon as practicable;
- **authorised spokespersons:** communication with the media, share analysts and the market generally in relation to RCL activities will normally be undertaken only by: the Chairman, CEO, the Chief Financial Officer or Head of Investor Relations;
- **media releases:** no media release of a material nature is to be issued unless it has first been sent to the ASX; and
- **analyst and investor briefings:** RCL recognises the importance of the relationship between RCL, investors and analysts. From time to time RCL conducts analyst and investor briefings and in these situations the following protocols apply:
 - no price sensitive information will be disclosed at these briefings unless it has been previously, or is simultaneously, released to the market;
 - questions at these briefings that relate to price sensitive information not previously disclosed will not be answered; and
 - if any price sensitive information is inadvertently disclosed, it will immediately be released to the ASX and placed on RCL's website.

ASX Principle 6: Respect the Rights of Shareholders

Companies should respect the rights of shareholders and facilitate the effective exercise of those rights.

COMMUNICATIONS WITH SHAREHOLDERS

ASX Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Consistent with our Continuous Disclosure Policy, RCL is committed to communicating with its securityholders in an effective and timely manner to provide them with ready access to information relating to RCL. In this regard, RCL maintains a website www.rclgroup.com.au/ which provides access to the following information of interest to RCL securityholders:

- detailed information regarding the Board, executive management and the business groups and activities of RCL;
- all RCL announcements and media releases, which are posted to the website promptly following release;

- copies of full-year and half-year financial reports;
- summaries of Board and Committee Charters and relevant corporate governance policies;
- copies of RCL's Annual Reports;
- copies of disclosure documents relating to RCL's capital raisings; and
- the website of RCL's Security Registry, Link Market Services, including a facility for securityholders to amend their particulars.

RCL encourages securityholders to utilise its website as their primary tool to access securityholder information and disclosures. In addition, the Annual Report facilitates the provision to securityholders by RCL on a yearly basis of detailed information in respect of the major achievements, financial results and strategic direction of RCL.

RCL has a practice that information to be given by RCL at analyst briefings is first released to the ASX to ensure that the market operates on a fully informed and equal basis.

Securityholders are strongly encouraged to attend and participate in general meetings of RCL, especially the Annual General Meeting. RCL provides securityholders with details of any proposed meetings well in advance of the relevant dates.

RCL's external auditor is always requested to attend the Annual General Meeting and be available to answer securityholder questions about the conduct of the audit and the preparation and content of the auditor's report. This allows securityholders an opportunity to ask questions of the auditor and reinforces the auditor's accountability to securityholders.

ASX Principle 7: Recognise and Manage Risk

Companies should establish a sound system of risk oversight and management and internal control.

ASX Recommendation 7.1: Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

RISK MANAGEMENT POLICY

Management of risk, particularly preservation of capital, continues to be a primary objective of RCL in all its business activities. RCL is committed to ensuring that its system of risk oversight, management and internal control complies with the ASX Principles and that its culture, processes and structures facilitate realisation of RCL's business objectives, including potential opportunities, while managing adverse effects and preserving capital.

The Boards are ultimately responsible for overseeing and managing the material risks of RCL. The respective Audit, Risk & Compliance Committees assist the Boards in this role. In accordance with their respective Charters, the role of the Committees include reviewing and managing the system for identifying, managing and monitoring the key risks of RCL and obtaining reports from the Chief Executive Officer on the status of any key risk exposures or incidents. In undertaking these responsibilities, the Committee principally relies on the Chief Executive Officer to implement and report upon the risk management systems and procedures implemented, such that the Committee is able to keep the Boards informed of all material business risks.

RCL has adopted a Risk Management Policy consistent with Australia/New Zealand Standard 4360, which clearly defines responsibilities for managing risk under RCL's risk management process. The material risks of RCL's business, including operational, financial, market and regulatory compliance risks have been identified and are required to be regularly managed, monitored and reported. Methods for treating and mitigating risks include transferring, reducing, accepting or passing on risk following assessment using a variety of methods. A summary of the Risk Management Policy is available on RCL's website.

The respective Audit, Risk & Compliance Committees include amongst their responsibilities:

- consideration of the overall risk management framework of RCL and the review of its effectiveness in meeting sound corporate governance principles;
- keeping the Boards informed of all significant business risks;
- reviewing in conjunction with the Manager the system for identifying, managing and monitoring the key risks of RCL; and
- obtaining reports from the Manager on the status of any key risk exposures or incidents.

The Committees follow commitment of capital and an investment approval process with rigour to the selection, assessment and approval of investment risks assumed under RCL's principal investment activities. Matters such as legal, accounting, tax and general risk assessment issues are considered in each case. RCL's most senior Executives are involved in all major investment decisions, and all capital investments above specified thresholds require approval of the Boards and a recommendation for all investment decisions.

ASX Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

RCL has continued to enhance its risk management framework. RCL's risk function plays a key role in developing and building an approach to assist the Boards and subsidiary companies in identifying, monitoring and treating risk and in reporting material risks to the Committees. Key risk areas are identified in a Risk Register and progress in implementing action plans is monitored via regular meetings with management and reported to the ARCC quarterly.

RCL's Compliance Function, promotes a compliance conscious culture while ensuring RCL complies with regulatory requirements across its businesses, functions, and group entities.

To facilitate monitoring and evaluation of the effectiveness of internal controls, RCL has established accounting policies, reporting and risk management and compliance systems to keep the Committees informed of strategic, reputational, financial and operational risks facing the Group. Quarterly management certification confirms that internal controls are in place and that the RCL Risk Management Policy and other key guidelines and procedures are being observed.

ASX Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

As outlined above, and in accordance with Recommendation 7.3, the CEO and Chief Financial Officer have stated to the Board in writing that internal compliance and control systems applicable to the Group's business lines and functional groups were operating efficiently and effectively in all material respects during the period to 30 June 2011 (see the "CEO's and Chief Financial Officer's Declaration" in the Director's Report).

ASX Principle 8: Remunerate Fairly and Responsibly

Companies should ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

REMUNERATION POLICY

The remuneration policies of RCL have been reviewed following internalisation of management rights. These policies reflect the desired outcome to be competitive in the industry and global marketplace and to ensure that RCL can attract and retain the talent needed to achieve both

short and long-term success, while maintaining a strong focus on team work, individual performance and the interests of securityholders.

The policies and principles which are applied to determine the nature and amount of remuneration paid to the Directors and Key Management Personnel of RCL are set out in the Remuneration Report.

REMUNERATION COMMITTEE

ASX Recommendation 8.1: The Board should establish a remuneration committee

As noted above in relation to ASX Recommendation 2.4, in order to assist the Board in achieving fairness and transparency in relation to remuneration issues and overseeing the remuneration and human resources policies and practices of RCL, the RCLGL Board has established a Nomination, Governance & Remuneration Committee.

The RCLGL Nomination, Governance & Remuneration Committee has adopted a Charter, of which a summary is available on RCL's website. The responsibilities of the Committee pursuant to the Charter in relation to remuneration include:

- critically review the performance and effectiveness of the Chairman, the Chief Executive Officer, the Board and its individual members against the relevant charters, corporate governance policies and agreed goals and objectives at least once per year;
- consult with the Chief Executive Officer in respect of the Key Performance Indicators (KPIs) for each of the Key Management Personnel as provide feedback to the Committee about their respective performance against such KPIs;
- provide input and advice to the Board about remuneration of Key Management Personnel or other individuals, based on the RCL Group's remuneration principles and practices;
- review and advise the Board on the Remuneration Report to be disclosed in the Company's annual financial report; and
- make recommendations to the Board for determining the level of remuneration to be applied to the non-executive directors of the Company.

As at 30 June 2011, the RCLGL Nomination, Governance & Remuneration Committee consists of four members, all of whom are independent Directors of RCL. The members of the Committee as at the date of this statement are: Christopher Langford (Independent Chairman), Richard Gelski, Robert Wright and Simon McTigue. Messrs Langford and McTigue were appointed on 23 May 2011. Mr Michael Maxwell retired as a member of the Committee on 27 April 2011.

ASX Recommendation 8.2: The remuneration committee should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent chair
- has at least three members

The attendance of the Committee members at Committee Meetings is disclosed in the Directors Report.

The Nomination, Governance & Remuneration Committee has adopted a Charter, a summary of which is available on RCL's website, www.rclgroup.com.au/.

NON-EXECUTIVE DIRECTOR REMUNERATION

ASX Recommendation 8.3: Companies should clearly distinguish the structure of Non-Executive Directors' remuneration from that of executives

The total remuneration paid to the independent non-executive Directors to 30 June 2011 is set out in the Remuneration Report separately from executive directors and senior executives. Independent non-executive Directors are paid an annual fee according to which Boards and Committees they sit on.

Non-executive Directors' fees for RCLGL are determined within a non-executive Director's aggregate fee pool limit which has been approved by securityholders. The maximum aggregate sum for RCLGL has been set at \$600,000 annually.

Non-executive Directors are not provided with retirement benefits other than statutory superannuation and did not receive options or other equity incentives, or bonus payments.

EXECUTIVE REMUNERATION

Total remuneration paid to executives and other key management personnel to 30 June 2011 is set out in the Remuneration Report attached to the Directors' Report.