

## ASX Corporate Governance Principles and Recommendations

The ASX Listing Rules require listed entities to include in their annual report a statement disclosing the extent to which they have followed the 27 ASX Corporate Governance Principles and Recommendations during the reporting period, identifying the recommendations that have not been followed and providing reasons for that variance. As at 17 February 2010, AXA APH fully complies with all of the ASX Corporate Governance Principles and Recommendations.

ASX Corporate Governance Principles and Recommendations		Reference <sup>1</sup>	Comply
<b>Principle 1</b>	<b>Lay solid foundations for management and oversight</b>		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	1	✓
1.2	Companies should disclose the process for evaluating the performance of senior executives.	1, 2.2	✓
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	1, 2, 2.2	✓
<b>Principle 2</b>	<b>Structure the board to add value</b>		
2.1	A majority of the board should be independent directors.	1.1	✓
2.2	The chair should be an independent director.	1.1, 2	✓
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	2	✓
2.4	The board should establish a nomination committee.	2.3	✓
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	1.5	✓
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	1.1, 1.5, 2, 2.3, Your Board of Directors	✓
<b>Principle 3</b>	<b>Promote ethical and responsible decision-making</b>		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to:		
	3.1.1 the practices necessary to maintain confidence in the company's integrity	3.1, Corporate Responsibility Report	✓
	3.1.2 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders	3.1, Corporate Responsibility Report	✓
	3.1.3 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	3.1, Corporate Responsibility Report	✓
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	3.2	✓
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	3, 3.1, 3.2, Corporate Responsibility Report	✓
<b>Principle 4</b>	<b>Safeguard integrity in financial reporting</b>		
4.1	The board should establish an audit committee.	2.1	✓
4.2	The audit committee should be structured so that it consists of: <ul style="list-style-type: none"> <li>- only non-executive directors</li> <li>- a majority of independent directors</li> <li>- an independent chair, who is not chair of the board</li> <li>- at least three members.</li> </ul>	2.1	✓
4.3	The audit committee should have a formal charter.	2.1	✓
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	2.1	✓
<b>Principle 5</b>	<b>Make timely and balanced disclosure</b>		
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.	5	✓
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	5	✓
<b>Principle 6</b>	<b>Respect the rights of shareholders</b>		
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.	6, 7, Corporate Responsibility Report	✓
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	6, 7, Corporate Responsibility Report	✓
<b>Principle 7</b>	<b>Recognise and manage risk</b>		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	2.1, 2.4, 2.5, 3.3, 3.5	✓
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.	Corporate Governance Report	✓
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.	14 Report from your Directors	✓
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	2.1, 2.4, 2.5, 3.3, 3.5, Corporate Governance Report, 14 Report from your Directors	✓
<b>Principle 8</b>	<b>Remunerate fairly and responsibly</b>		
8.1	The board should establish a remuneration committee.	2.2, Remuneration Report	✓
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Remuneration Report	✓
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	2.2, Remuneration Report	✓

1 All references are to the Corporate Governance Report (pages 37 to 43) of AXA APH's Concise Annual Report 2009 unless otherwise stated:  
- Corporate Responsibility Report (pages 32 to 36)  
- Your Board of Directors (pages 44 to 45)  
- Report from your Directors (pages 46 to 69)  
- Remuneration Report (pages 48 to 68)