

## Corporate Governance Statement

The Board is committed to conducting the Company's business ethically and in accordance with high standards of corporate governance. To this end, the Board (together with the Company's management) regularly reviews the Company's policies, practices and other arrangements governing and guiding the conduct of the Company and those acting on its behalf. This statement provides an outline of the main corporate governance practices that the Company had in place during the past financial year. The Board believes that the Company's policies and practices are consistent in all substantial respects with good corporate governance practice in Australia appropriate for the circumstances of the Company, including the ASX Corporate Governance Council Principles and Recommendations. A summary of how each of the recommendations has been addressed is set out below.

### ASX Corporate Governance Council Principles and Recommendations (ASX Principles)

The following table summarises how the Company meets the ASX Principles (as applicable to the Company for the 2013 financial year), and provides reference to where the specific recommendations are dealt with in this statement:

	<i>ASX Principle / Recommendation</i>	<i>Compliance</i>	<i>Reference</i>
<b>Principle 1:</b>	<b>Lay solid foundations for management and oversight</b>		
1.1	Establish the functions reserved to the Board and those reserved to management	✓	Section 1.1
1.2	Disclose the process for evaluating the performance of senior executives	✓	Section 1.2.3
1.3	Provide the information indicated in the Guide to reporting on Principle 1	✓	
<b>Principle 2:</b>	<b>Structure the Board to add value</b>		
2.1	A majority of the Board should be independent Directors	✓	Section 1.2.1
2.2	The chair should be an independent Director	✓	Section 1.2
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	✓	Section 1.2
2.4	The Board should establish a nomination committee	✓	Section 2.1
2.5	Disclose the process for evaluating the performance of the Board, its committees and individual Directors	✓	Section 1.2.3
2.6	Provide the information indicated in the Guide to reporting on Principle 2	✓	
<b>Principle 3:</b>	<b>Promote ethical and responsible decision-making</b>		
3.1	Establish a code of conduct and disclose the code or a summary of the code	✓	Section 4.1
3.2	Establish a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.	✓	Section 1.2.6 and pages 36, 37
3.3	Disclose the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards them.	✓	Pages 36, 37
3.4	Disclose the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	✓	Page 37
3.5	Provide the information indicated in the Guide to reporting on Principle 3	✓	

	<i>ASX Principle / Recommendation</i>	<i>Compliance</i>	<i>Reference</i>
<b>Principle 4:</b>	<b>Safeguard integrity in financial reporting</b>		
4.1	The Board should establish an audit committee	✓	Section 2.1
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 chair of the Board, and > has at least three members	✓	Section 2.1
4.3	The audit committee should have a formal charter	✓	Section 2
4.4	Provide the information indicated in the Guide to reporting on Principle 4	✓	
<b>Principle 5:</b>	<b>Make timely and balanced disclosure</b>		
5.1	Establish written policies and procedures 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	✓	Section 5.1
5.2	Provide the information indicated in the Guide to reporting on Principle 5	✓	
<b>Principle 6:</b>	<b>Respect the rights of shareholders</b>		
6.1	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	✓	Section 5.2
6.2	Provide the information indicated in the Guide to reporting on Principle 6	✓	
<b>Principle 7:</b>	<b>Recognise and manage risk</b>		
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies	✓	Section 3.1
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	✓	Section 3.1
7.3	The Board should disclose whether it has received assurance from the chief executive officer and the chief financial officer 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	✓	Section 3.1
7.4	Provide the information indicated in the Guide to reporting on Principle 7	✓	
<b>Principle 8:</b>	<b>Remunerate fairly and responsibly</b>		
8.1	The Board should establish a remuneration committee	✓	Section 2.1
8.2	The remuneration committee should be structured so that it: > consists of a majority of independent Directors > is chaired by an independent chair, and > has at least three members	✓	Section 2.1
8.3	Clearly distinguish the structure of non-executive Directors' remuneration from that of executive Directors and senior executives	✓	Section 2.1
8.4	Provide the information indicated in the Guide to reporting on Principle 8	✓	

## 1 The Board lays solid foundations for management and oversight

### 1.1 Role of the Board

The role of the Board of Directors is to protect and optimise the performance of the Group and, accordingly, the Board takes accountability for reviewing and approving strategic direction, establishing policy, overseeing the financial position and monitoring the business and affairs of the Group on behalf of shareholders.

Details of the skills, experience and expertise of each Director and their period of office are set out on page 38 and 39 of this report. The Board operates in accordance with the general principles set out in its charter, which is available from the corporate governance section of the Company's website at [www.adbri.com.au](http://www.adbri.com.au).

In accordance with the provisions of the Company's constitution, the Board has delegated a number of powers to Board committees (see section 2 following) and responsibility for the day-to-day management of the Company to the Managing Director and Chief Executive Officer (CEO) and senior management. The respective roles and responsibilities of the Board and management are outlined further in the Board charter.

The Board has also reserved for itself the following specific responsibilities:

*Strategy and monitoring*

Input into and approval of management's development of corporate strategy, including setting performance objectives and approving operating budgets.

Monitoring and reviewing corporate performance and implementation of strategy and policy.

*Monitoring the business and affairs / relations with management*

Selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the CEO.

Reviewing procedures for appointment of senior management, monitoring performance and reviewing executive development activities. This includes ratifying the appointment and the removal of the Chief Financial Officer and the Company Secretary.

Approval of the Company's capital structure and gearing targets.

Approval of specified matters exceeding delegated authority levels, including major capital expenditure and major acquisitions and divestitures.

*Risk management, compliance and internal controls*

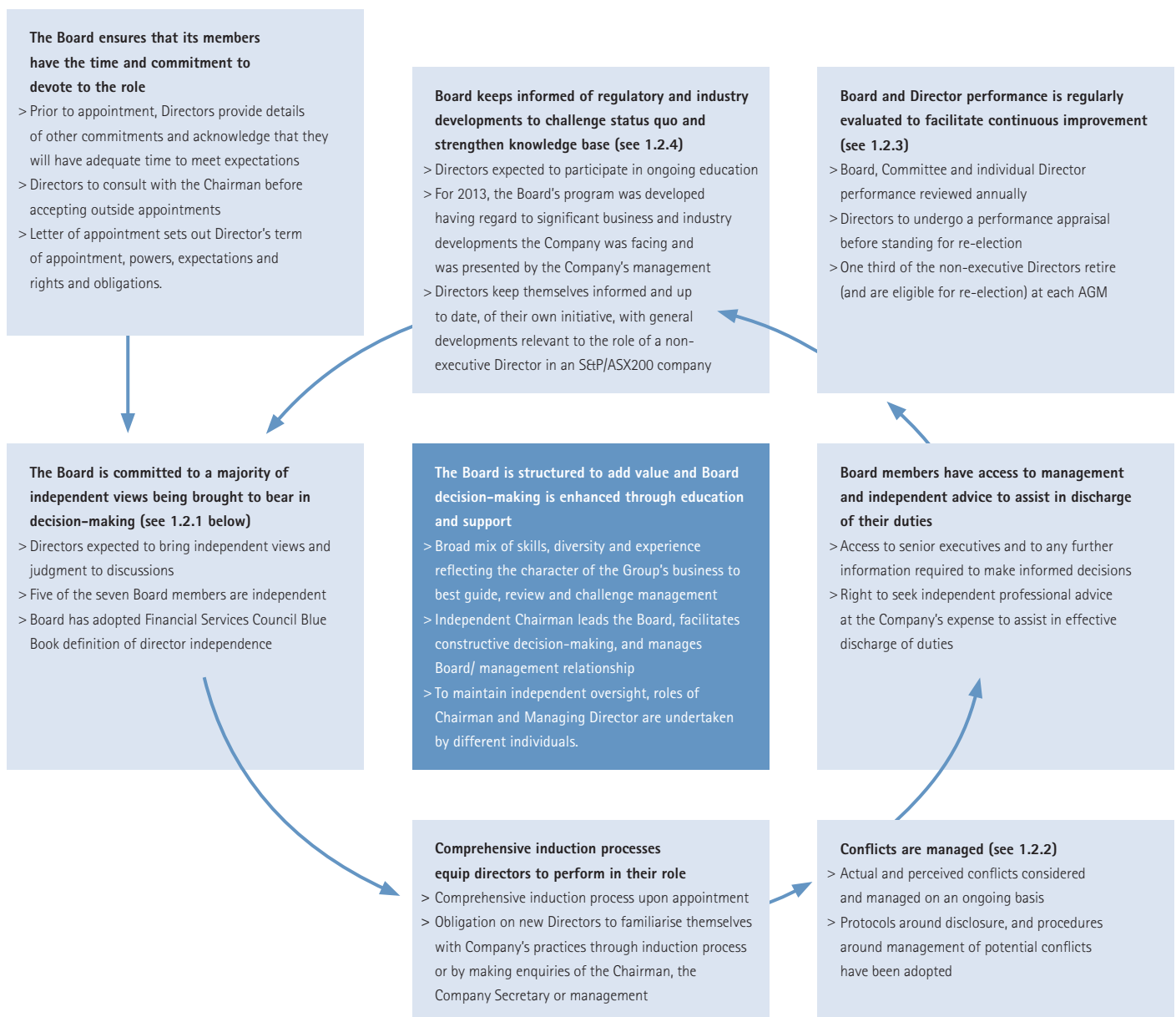
Reviewing and guiding systems of risk management and internal control and ethical and legal compliance.

Monitoring and reviewing processes aimed at ensuring integrity of financial and other reporting, and providing assurance to approve the Group's financial reports.

Monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards.

Input into and approval of the Company's policy in relation to, and monitoring implementation of, sustainable resource use and the impact of the Company's operations on the environment, community and stakeholders.

1.2 The Board is structured to add value



### 1.2.1 Directors' independence

In general, Directors are considered independent where they are free of any interest and any business or other relationship which could, or could reasonably be perceived, to interfere materially with the Director's ability to act in the best interests of the Company. An assessment will be made on a case-by-case basis of whether the Director's ability to act in the best interests of the Company has been materially impaired.

In ensuring that the Board comprises Directors with a broad range of skills and experience reflecting the character of the Group's business, the Board may from time to time appoint Directors who are not considered to be independent. It is, however, the Board's policy that it should comprise a majority of independent Directors to ensure that independent oversight is maintained.

In the context of his executive position with the Company, Mr M Chellew is not considered to be independent. Having regard to the guidelines of independence adopted by the Board, the Directors are of the view that Mr R D Barro is the only non-executive Director who is not considered "independent" by virtue of his position as the Managing Director and a shareholder of Barro Group Pty Ltd, which has a 50% interest in the joint venture, Independent Cement & Lime Pty Ltd (ICL), and is a substantial shareholder in the Company. ICL has an ongoing trading relationship with the Barro Group of companies.

### 1.2.2 Conflicts of interest

Directors are expected to avoid any action, position or interest which conflicts (or may be perceived to conflict) with their position as a Director of the Company. In particular, the Board is cognisant of Mr Barro's interest in Barro Group Pty Ltd, a significant shareholder in the Company and 50% joint venture partner in ICL.

During the year, in order to avoid actual and/or perceived conflicts of interest in Board decision-making, Board procedures were followed such that where the possibility of a material conflict arose, the Board considered the nature and extent of the potential conflict and whether it would be appropriate for the relevant Director to participate in Board discussion and decision-making in relation to the issue. Where there was a real potential for a conflict of interest, information was not provided to the Director, and, in accordance with the Corporations Act 2001, the Director did not participate in, or vote at, the meeting where the matter was considered.

### 1.2.3 Performance evaluation

For the 2013 financial year, a performance evaluation was led by the Chairman to assess the performance of individual Directors, the Board as a whole, various aspects of the Board committees such as their performance, membership, roles and charters, and the Board's and Directors' interaction with management.

As part of this comprehensive review of the Board's performance, processes and operations, the Chairman facilitates individual discussions with each Director which also reviews their individual performance. The discussions also included a peer review of the Board Chairman's performance by the other Directors.

The Chairman reports to the Board concerning the performance evaluation process and the findings of these reviews. As a result of recommendations arising from the internal Board review, initiatives are introduced to ensure the continued effectiveness of the Board's performance and to enable its sustained focus on key issues for the Company. The implementation of these initiatives is overseen by the Chairman.

Executives and managers are also subject to an annual performance review in which performance is measured against agreed business objectives. The performance of the CEO is assessed by the Board against objectives related to the Company's strategy, business plans and the financial performance of the business.

For the 2013 financial year, the performance of the CEO and the CEO's achievement of the agreed objectives was reviewed by the Chairman, the then Nomination and Remuneration Committee and the Board. The performance of the Company's senior executives during 2013 was reviewed by the CEO, and by the then Nomination and Remuneration Committee, led by the CEO and the Executive General Manager, Human Resources.

The Committee and the Board considered the performance of Martin Brydon, Executive General Manager - Cement & Lime, and the relevant circumstances of the Company, as part of the Committee's and the Board's decision to promote Martin Brydon to the position of Chief Executive Officer when Mark Chellew retires in May, 2014.

### 1.2.4 Ongoing education

The Board's ongoing education calendar incorporated site visits in 2013 to the Company's key cement and lime manufacturing facilities at Birkenhead, South Australia and Munster, Western Australia. Presentations were given by management and external experts concerning factors which impacted, or were likely to impact, the business, and various opportunities. The Board is informed by expertise from within the Company on matters such as energy supply arrangements and business and product development. The Board held a number of sessions with senior personnel from organisations operating in a range of fields relevant to the Company's operations and future direction, in order to stay abreast of key and developing issues and opportunities which were or might be relevant to the Company.

### 1.2.5 Board and CEO succession planning

The Board regularly reviews the size and composition of the Board to ensure the appropriate skills, perspective and expertise are represented.

As announced to the ASX on 13 December 2013, the Board's long term management succession plan for the CEO was implemented, leading to Martin Brydon's promotion to the Deputy Chief Executive Officer position from 1 February 2014, with Martin assuming the Chief Executive Officer role upon Mark's retirement following the Annual General Meeting in May 2014, ensuring a smooth transition of leadership responsibilities within the Company.

The then Nomination and Remuneration Committee also reviewed the succession plans for the senior management team during the year, to ensure that appropriate plans have been implemented for the mid to long term.

### 1.2.6 Diversity

The Board, having adopted a Diversity Policy for the Group in 2011, has established measurable diversity objectives to enhance gender diversity across the organisation. Further information of the Group's progress with the gender diversity objectives (in accordance with the ASX Corporate Governance Council Principles and Recommendations) is set out on pages 36 and 37.

## 2 Committees of the Board

To assist the Board in fulfilling its responsibilities, the Board has established a number of committees with responsibility for particular areas.

Each committee has a specific charter or constitution. The charters for the Audit, Risk and Compliance Committee and the Nomination, Remuneration and Governance Committee are available on the corporate governance section of the Company's website at [www.adbri.com.au](http://www.adbri.com.au). The Board periodically reviews each Board committee's charter, role and responsibilities.

Generally, minutes of committee meetings are tabled at the next Board meeting after the minutes have been prepared. Additional requirements for specific reporting by the committees are addressed in the charter of the individual committees.

As a result of the Board's continued focus on governance, during 2013 the then Nomination and Remuneration Committee reviewed the Board's committees and their membership. As a result the Board decided in November 2013 to assign the governance responsibilities of the Corporate Governance Committee to the Board's Nomination and Remuneration Committee (and for the committee to be renamed the Nomination, Remuneration and Governance Committee) given the strong emphasis that the Board places on the link between governance and both remuneration and succession. The corporate social responsibility and sustainability responsibilities of the Corporate Governance Committee were assigned to the Board's Safety, Health and Environment Committee and the Corporate Governance Committee was dissolved. The charters of these two continuing Board committees were revised accordingly.

### 2.1 Key standing committees

	<i>Audit, Risk and Compliance Committee</i>	<i>Nomination Remuneration and Governance Committee (called Nomination and Remuneration Committee during 2013)</i>
Members during 2013	G F Pettigrew (Chairman)  LV Hosking A M Tansey  Details of these Directors' qualifications are set out on page 38 and 39 of this report.	A M Tansey (appointed a member and Chairman from 19 February 2013) LV Hosking (acting Chairman to 19 February 2013) G F Pettigrew K B Scott-Mackenzie  The Board appointed A M Tansey as Chairman of the then Nomination and Remuneration Committee with effect from 19 February 2013, on which date LV Hosking ceased to be acting Chairman of the Committee but continues as a member. Details of these Directors' qualifications are set out on page 38 and 39 of this report.
Composition	<ul style="list-style-type: none"> <li>&gt; Consist of a minimum of three members, all of whom are independent non-executive Directors.</li> <li>&gt; The chair must be an independent non-executive Director who is not Chairman of the Board.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Consist of a minimum of three members, all of whom are independent non-executive Directors.</li> </ul>
Key functions	<ul style="list-style-type: none"> <li>&gt; To review, assess (and recommend to the Board for approval) the annual financial reports, the half-year financial report, including reviewing the results of external audit and assessing all external reporting for its adequacy for shareholder needs;</li> <li>&gt; To review the appropriateness of accounting principles adopted by management in the composition and presentation of financial reports and to approve any change in the accounting principles applied in preparing the Company and Group reports;</li> <li>&gt; To evaluate the independence of the external auditors and to monitor the implementation of the Board's policy in relation to the provision of non-audit services by the Company's auditor;</li> <li>&gt; To recommend to the Board the appointment, removal and remuneration of the external auditors, to review the terms of their engagement, the scope and quality of the audit and to assess performance;</li> <li>&gt; To determine the scope of the internal audit function and ensure that it has adequate resources to fulfil its role, to assess its performance including independence, effectiveness and appropriate coordination with external auditors;</li> <li>&gt; To determine whether new policies or training should be implemented to safeguard against possible risks or non-compliance with applicable laws, regulations or Company policies;</li> <li>&gt; To monitor compliance with the Company's policies and procedures that recognise the Company's business, environmental and statutory responsibilities; and</li> <li>&gt; To report the results of the Committee's review of risk management and internal compliance and control systems to the Board.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; The role of the Committee is to assist and advise the Board on matters relating to the appointment and remuneration of the non-executive Directors, the CEO and other senior executives, and best practice corporate governance appropriate to the circumstances of the Company.</li> </ul> <p><i>Remuneration, including incentives</i></p> <ul style="list-style-type: none"> <li>&gt; To review (and recommend to the Board) the fees paid to non-executive Directors;</li> <li>&gt; To review (and recommend to the Board) the compensation arrangements for the CEO, including short term and long term incentives;</li> <li>&gt; To review and approve recommendations from the CEO on total levels of remuneration, for senior executives;</li> <li>&gt; To oversee the implementation of the Company's short term and long term incentive arrangements, including reviewing performance targets for senior executives, reviewing recommendations from the CEO on senior executives' participation in short and long term incentive schemes, making relevant awards and assessing the extent to which performance conditions are satisfied;</li> </ul> <p><i>Succession planning, appointments and review of performance</i></p> <ul style="list-style-type: none"> <li>&gt; To review management succession planning and specifically the CEO and senior executives reporting to the CEO;</li> <li>&gt; To review the appointments and terminations to senior executive positions reporting to the CEO;</li> <li>&gt; To assess the appropriate mix of skills, experience and expertise required on the Board and assess the extent to which these required skills are represented on the Board;</li> <li>&gt; To establish processes for the identification of suitable candidates for appointment to the Board, engage appropriate search firms to assist in identifying suitable candidates and make a recommendation regarding the most appropriate candidates to the Board which ultimately will appoint the new Directors;</li> <li>&gt; To oversee or design induction and ongoing training and education programs for the Board to ensure that non-executive Directors are provided with adequate information regarding the operations of the business, the industry and their legal responsibilities and duties;</li> <li>&gt; To monitor the tenure of Board members, considering succession planning and identifying the likely order of retirement by rotation of non-executive Directors;</li> </ul>

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Key functions (continued)	<p>&gt; To establish processes for the review of the performance of individual non-executive Directors, the Board as a whole and the operation of Board committees; and</p> <p><i>Corporate governance</i></p> <p>&gt; To oversee, develop and review the Company's corporate governance framework and systems.</p>
Key activities during 2013	<p>&gt; Ongoing review and consideration of financial and non-financial risks and the Company's system of identifying and managing risks;</p> <p>&gt; Considering the impact arising from the implementation of the carbon tax and related regulatory requirements, the Company's accounting for these and the impact of the possible repeal of the carbon tax;</p> <p>&gt; Reviewing the Company's exposure to and management of slow paying debtors and bad debts;</p> <p>&gt; Monitoring the performance, outcomes and actions of the Company's internal audit program;</p> <p>&gt; Receiving the external auditors' reports, monitoring issues reported and actions taken;</p> <p>&gt; Reviewing and overseeing of the Company's 2012 Full Year, 2013 Half Year and Full Year Financial Reporting and associated audit;</p> <p>&gt; Establishing the internal audit plan for 2014 and reviewing and approving the internal and external auditors' fees;</p> <p>&gt; Monitoring the Group's insurance renewal programme; and</p> <p>&gt; Reviewing the Group's accounting policies and treatment of particular issues, including detailed review during the year of accounting for the Company's joint ventures and accounting for Defined Benefit Superannuation.</p> <p>&gt; Overseeing and making recommendations to the Board concerning the succession of Martin Brydon to the position of Chief Executive Officer following the retirement of Mark Chellew in 2014, including Martin Brydon's remuneration arrangements and Executive Service Agreement;</p> <p>&gt; Considering developments in executive remuneration practices and engaging external consultants to advise and assist the Committee and the Board to ensure that, in setting the Company's short and long term compensation metrics, the Board has regard to emerging market practices, and that the Company's structure and setting of compensation and has responded adequately to the input of stakeholders. The 2013 review included market reviews of all aspects of remuneration structure and quantum, and extensive Committee and Board review and consideration of these matters;</p> <p>&gt; Reviewing and recommending to the Board the level of annual fixed and incentive compensation arrangements for the CEO and reviewing and approving the CEO's recommendations for the senior executive team;</p> <p>&gt; Reviewing and recommending to the Board the Company's long term incentive ("LTI") awards to be awarded to the incoming Chief Executive Officer, including the applicable performance conditions, and reviewing and approving the CEO's recommendations for awards to the continuing senior executive team in 2014, including the applicable performance conditions and their respective levels of participation;</p> <p>&gt; Reviewing the annual Functional component objectives applicable to the short term incentive ("STI") for the CEO and the senior executive team for 2013;</p> <p>&gt; Reviewing the attainment of STI and LTI performance conditions by the CEO and the senior executive team;</p> <p>&gt; Reviewing the structure of the Board's committees, including considering committee structures of comparable organisations;</p> <p>&gt; Reviewing and recommending to the Board the base fees payable to non-executive Directors and additional fees payable for membership of Board committees for 2014, as a result of which no non-executive Directors' fees increased, the fees paid to the Chairman were decreased at his request, and lower fees were paid as a result of the dissolution of the Corporate Governance Committee and the transfer of its responsibilities to other Board committees;</p> <p>&gt; Overseeing the implementation of diversity measures to facilitate the achievement of the diversity objectives as contained in the Diversity Policy to address diversity in the Board's composition, the senior executive team and the broader Company;</p> <p>&gt; Reviewing and reporting to the Board on the performance of the CEO and the senior executive team and succession plans for the CEO, senior executives and other key positions in the Company.</p>

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	<i>Audit, Risk and Compliance Committee</i>	<i>Nomination Remuneration and Governance Committee (called Nomination and Remuneration Committee during 2013)</i>
Attendance	<p>Details of attendance at Committee meetings are set out on page 45 of this report.</p> <p>Representatives of the Company's external auditors, PricewaterhouseCoopers, including the lead audit partner, attend (either in person or by telephone) for the whole of the Committee's meetings.</p> <p>It is also the practice of the Committee to meet with the Company's auditors without any member of management present.</p>	<p>Details of attendance at Committee meetings are set out on page 45 of this report.</p>
Consultation	<p>Members of management may attend meetings of the Committee at the invitation of the Committee Chairman. It is the practice of the Committee that the CEO, the Chief Financial Officer and the Company Secretary attend all Audit, Risk and Compliance Committee meetings. The Group Risk Manager generally attends meetings of the Committee when non-financial risk management matters are considered.</p> <p>In fulfilling its responsibilities, the Committee has rights of access to management and to auditors (external and internal) without management present, and may seek explanations and additional information.</p>	<p>It has been the practice of the Committee, on occasions when relevant, to invite other Directors to attend Committee meetings. Additionally, one Committee meeting in 2013 was held concurrently with a Board meeting.</p> <p>Members of management, particularly the Executive General Manager, Human Resources or the CEO, may also attend meetings of the Committee at the invitation of the Committee Chairman, whenever particular matters arise that require management participation, such as reviewing senior executive performance, succession planning or the CEO's recommendations to the Committee.</p> <p>The Chairman of the Committee received reports directly from expert consultants concerning the remuneration arrangements and executive service agreements of the CEO and the Company's senior executives.</p>

Generally when the SH&E Committee meeting is held prior to a Board meeting, the SH&E Committee Chairman subsequently reports to the Board about the Committee's proceedings.

## 2.2.2 Corporate Governance Committee

The Corporate Governance Committee which in 2013 comprised of A M Tansey (Chairman from 19 February 2013) and L V Hosking (Acting Chairman to 19 February 2013), was responsible in 2013 for overseeing the Company's implementation and compliance with best practice in corporate governance applicable to the circumstances of the Company. Committee meetings were held in conjunction with Board meetings, so that all of the Company's Directors are present and are also attended by the CEO, the Company Secretary and General Counsel, and the Chief Financial Officer.

The Committee monitored relevant regulatory developments during 2013 and monitored the annual review of the Company's charters and policies to ensure they comply with regulatory requirements and remain up to date with good governance guidelines.

During 2013 the Nomination and Remuneration Committee reviewed the Board's committees and their membership, and as a result the Board decided in November 2013 to dissolve the Corporate Governance Committee and to assign its governance responsibilities to the Board's Nomination and Remuneration Committee (and for the committee to be renamed the Nomination, Remuneration and Governance Committee) and corporate social responsibility and sustainability responsibilities to the Board's Safety, Health and Environment Committee. The charters of these two continuing Board committees were revised accordingly.

## 2.2.3 Independent Directors' Committee

The role of the Independent Directors' Committee is to investigate and consider corporate proposals made to the Company. The Committee comprises Directors who do not have any conflict of interest concerning the matters considered by the Committee. The members of the Committee during 2013 were L V Hosking (Chairman), G F Pettigrew, K B Scott-Mackenzie and M P Chellew (CEO). Details of members' attendance at each of these Committee meetings in 2013 are set out on page 45.

## 2.2 Other Board committees

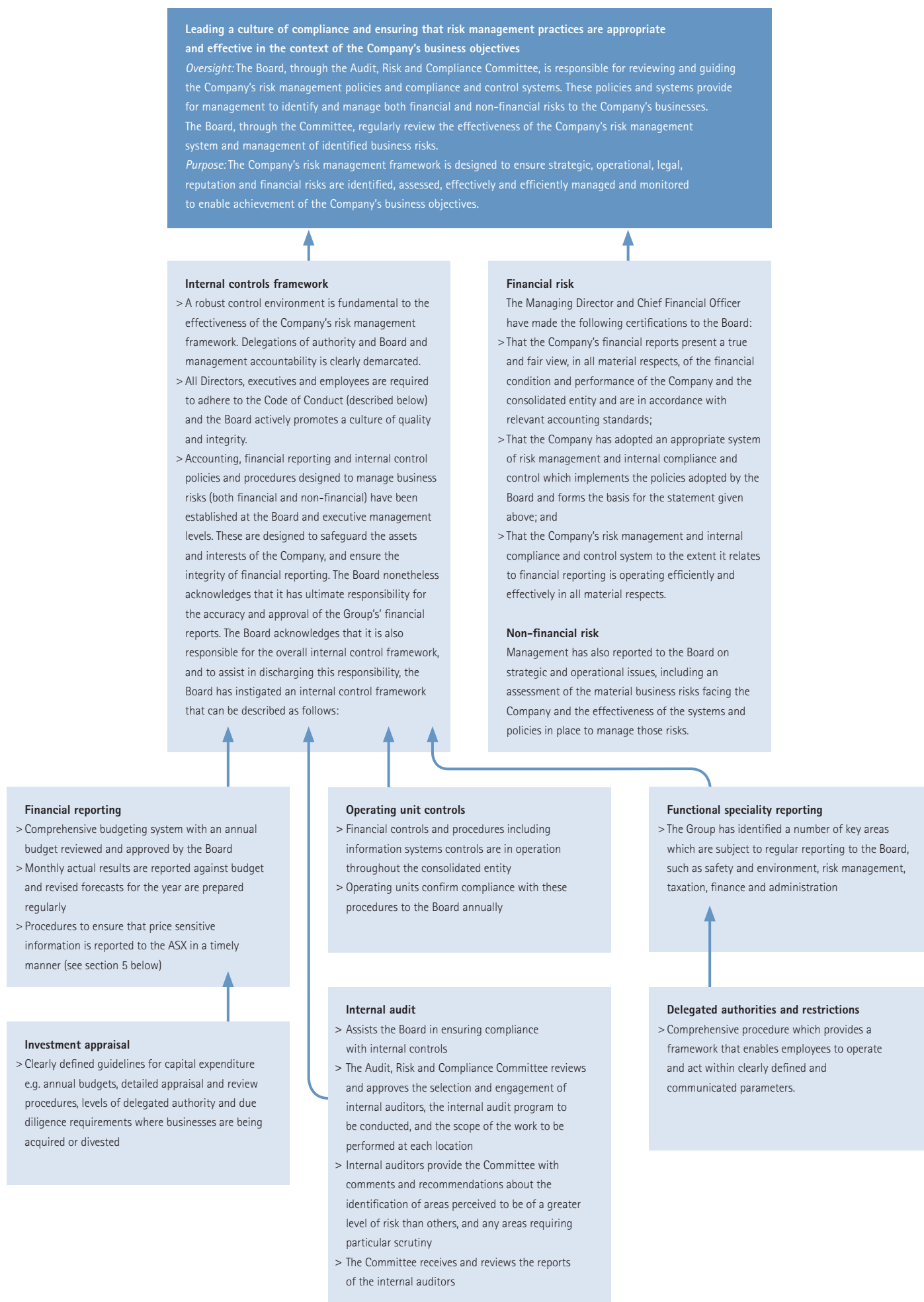
### 2.2.1 Safety Health and Environment Committee

The members of the Safety, Health and Environment Committee (SH&E Committee) during 2013 were K B Scott-Mackenzie (Chairman), G F Pettigrew, and R D Barro. M P Chellew attended meetings of the SH&E Committee in his executive position as CEO.

The Committee has a broad role in reviewing general and specific occupational health and safety and environmental matters across the Group. Committee meetings are also attended by the Company's Executive General Manager, HR & SH&E, Chief Financial Officer and its General Counsel. As set out above, in November 2013 the Board decided to assign the corporate social responsibility and sustainability responsibilities of the Corporate Governance Committee (which was dissolved) to the SH&E Committee. The charter of the committee was revised to reflect this, and for other routine updates.

### 3 The Board recognises and manages risk and safeguards the integrity of financial reporting

#### 3.1 Framework The Board has approved the following framework within which the Company discharges its risk management function





### 3.2 Audit Services

The Company and Audit, Risk and Compliance Committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is considered annually. PricewaterhouseCoopers remains the external auditor of the Company for the Group's financial report for the year ended 31 December 2013.

The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor. It is based on the principle that work that may detract from the external auditor's independence and impartiality (or that may be perceived as doing so) should not be carried out by the external auditor. Details and the break down of fees for non-audit services and an analysis of fees paid or payable to external auditors are provided in Note 33 to the Financial Statements.

## 4 The Board is committed to promoting ethical and responsible decision-making

### 4.1 Code of conduct and whistleblower program

The Company is committed to upholding the highest ethical standards of corporate behaviour. A Code of Conduct has been adopted, which requires that all Directors, senior management and employees act with the utmost integrity and honesty. It aims to further strengthen the Company's ethical climate by promoting practices that foster the Company's key values of:

- > Acting with fairness, honesty and integrity;
- > Providing a safe and healthy work environment for all employees;
- > Being aware of and abiding by laws and regulations;
- > Individually and collectively contributing to the wellbeing of shareholders, customers, the economy and the community;
- > Maintaining the highest standards of professional behaviour;
- > Avoiding or managing conflicts of interest; and
- > Striving to be a good corporate citizen, and to achieve community respect.

The Code of Conduct is publicly available on the Company's website at [www.adbri.com.au](http://www.adbri.com.au). The Code of Conduct is reviewed and updated from time to time, ensuring that the Code remains relevant to the Company's values and practices.

The Company has also adopted policies requiring compliance with (among others) occupational health and safety, environmental, privacy, diversity, equal employment opportunity, harassment, fair treatment, and competition and consumer law. The Company monitors the effectiveness of these policies. Employees are encouraged to attend training or seminars presented by the Company, or external service providers, to ensure that they remain up-to-date with relevant industry and regulatory developments.

The Code requires all officers, employees, contractors, agents or people associated with the Company to report any potential breaches to the Company Secretary under the whistleblower program. This may be done anonymously.

### 4.2 Shareholdings of Directors and employees

The Board has a policy that in general, Directors and Officers may not buy or sell Adelaide Brighton Ltd shares except during periods (known as 'Trading Windows') provided that prior approval is obtained. The Trading Windows cover the period of one month following the annual and half year results announcements in addition to the period from the release of the Company's annual report until one month after the annual general meeting. The policy also defines certain periods where trading is not permitted under any circumstances (known as 'Blackout Periods'), which cover the two months preceding lodgement of half year and annual results announcements, in addition to any instance when a Director is trading for short-term gain. In all cases, Directors and Officers are prohibited from trading in securities when they are in possession of "inside information". The Board also has a policy that prohibits executives from hedging (or otherwise locking in a profit over) unvested securities issued under the Company's Share Plans. The Company's Share Trading Policy and the Award/Share Hedging Policy are available on the Company's website at [www.adbri.com.au](http://www.adbri.com.au).

## 5 The Board is committed to timely and balanced disclosure and respects the rights of shareholders

### 5.1 Continuous disclosure

The Company is committed to providing relevant and timely information to its shareholders and to the broader market, in accordance with its obligations under the Corporations Act 2001 and the ASX continuous disclosure regime.

The Company's Continuous Disclosure Policy is available on the Company's website and sets out guidelines and processes to be followed in order to ensure that the Company's continuous disclosure obligations are met. Material information must not be selectively disclosed prior to being announced to the ASX. These policies and procedures are supplemented by the Shareholder Communications Policy (also published on the Company's website) which includes arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings.

The Company Secretary has been nominated as the person responsible for communicating with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements and overseeing and coordinating (with the Group Corporate Affairs Adviser) information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

### 5.2 Communication with shareholders

The Company's website contains copies of annual reports, financial accounts, presentations, media releases and other investor relations publications. All relevant announcements made to the market, and any related information, are also posted on the Company's website.

The Board encourages full participation of shareholders at the Annual General Meeting in order to promote a high level of accountability and discussion of the Group's strategy and goals.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditors' report.



Marcus Clayton  
*General Counsel and  
Company Secretary*