



24 September 2020

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

ELECTRONIC LODGEMENT

Dear Sir or Madam

Vita Group Limited – Corporate Governance Statement and Appendix 4G

In accordance with the Listing Rules, please find attached a copy of Vita Group's 2020 Corporate Governance Statement and Appendix 4G for release to the market.

Authorised for lodgement by Vita Group's Board of Directors.

Yours sincerely

A handwritten signature in black ink, appearing to read "George Southgate", written over a light blue horizontal line.

George Southgate
GM Legal Services and Group Company Secretary
Vita Group Limited

Corporate Governance Statement 2020

Vita Group Limited ("Company") has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd Edition) published by the ASX Corporate Governance Council ("ASX Principles and Recommendations").

This Corporate Governance Statement FY2020 is dated as at 30 June 2020 and reflects the corporate governance practices of the Company and its subsidiaries ("Group") in place throughout the 2019/20 financial year. This statement was approved by the Board on 24 September 2020.

This statement and the following supporting documents can be viewed in the 'Corporate Governance' section of Vita Group Limited ("Company")'s website at www.vitagroup.com.au.

- Whistleblower Policy
- Anti-Bribery and Corruption Policy
- Board Charter
- Audit, Compliance & Risk Committee Charter
- Remuneration & Nomination Committee Charter
- Continuous Disclosure Policy
- Share Trading Policy
- Code of Business Practice & Ethics
- Performance Evaluation Process
- Director Selection, Appointment, and Re-election Policy & Procedures
- External Auditor Policy & Procedures
- Shareholder Communication Policy
- Risk Management Policy
- Diversity Policy; and
- Constitution.

The Company is in full compliance with the ASX Principles and Recommendations.

Principle 1: Lay solid foundations for management and oversight

Role of Board and management

The Board has adopted a Board Charter establishing the following:

- Board responsibilities
- Board composition
- Policy on independence
- Policy relating to Board meetings
- Board Committees; and
- Review of Board effectiveness.

The Board Charter is reviewed annually. The responsibilities and functions reserved to the Board as set out in the Board Charter include:

- approving and monitoring strategies, budgets, and plans
- approving policies and codes of conduct
- reviewing and monitoring systems of risk management, internal control, and regulatory compliance (including disclosure)
- approving and monitoring the progress of acquisitions and disposals, or the cessation of any significant asset, business, or function, and reviewing material transactions and changes to organisational structure
- approving annual and half-yearly financial statements, other published financial information, and dividends
- appointing and monitoring the performance of the Chief Executive Officer
- determining the levels of authority to be given to the Chief Executive Officer and authorising any further delegations of authority
- appointing the Chairman of the Board and Company Secretary
- monitoring compliance with, and the effectiveness of, the Company's corporate governance practices
- whenever required, challenging management and holding it to account
- evaluating performance of the Board, the Chairman and individual Directors
- ratifying the appointment of Senior Managers, monitoring their performance, and approving succession plans for the management team; and
- approving the issue of any securities of the Group.

The day-to-day management of the Group is delegated to management, including the following:

- financial and capital management and reporting
- operations including business planning
- information technology

- marketing
- customer service
- relationships with investors, media, analysts, suppliers, partners and other industry participants
- human resources; and
- reporting to the Board on performance.

The Board has adopted a formal statement of Delegated Authorities, setting out financial and other limits delegated to management, and matters requiring Board approval. These were reviewed and updated during the year.

Appointment and Evaluation of Non-Executive Directors

Letters of appointment are prepared for Non-Executive Directors, covering terms of employment, duties and responsibilities, time commitment expected, and requirements relating to disclosure of interests and trading in the Group's shares. An induction pack is provided at the time of appointment and new Directors undergo an induction process (refer to further details in Principle 2).

The Company conducts appropriate checks to verify the suitability of the candidate, prior to their election, and has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director, is disclosed in the notice of meeting provided to shareholders (as further discussed in Principle 4).

In accordance with the Board Charter, each Director has the right, at the Group's expense, to seek independent professional advice in relation to the execution of Board responsibilities. Prior notification to the Board is required and where appropriate, Directors are required to share such advice with the Group and the other Directors.

In line with the ASX Principles and Recommendations, the Board conducts self-evaluations each year. The Group's Performance Evaluation Process includes the evaluation of the Board, its Committees, and individual Directors. An evaluation of the Board and its Committees was undertaken during the reporting period.

Company Secretary

All Directors have access to the Company Secretary who coordinates the preparation and despatch of Board Agendas and Board Papers. In accordance with the Company Constitution, the appointment and removal of the Company Secretary is a Board responsibility. The Company Secretary attends all Board meetings and is directly accountable to the Chief Financial Officer and, through the Chairman, the Board, on all matters to do with the proper functioning of the Board and corporate governance.

Appointment and Evaluation of Senior Managers

The responsibilities and terms of employment, including termination entitlements, of the Chief Executive Officer, the Chief Financial Officer, and other Senior Managers, are set out in formal employment agreements. Each Manager is formally inducted on appointment and has a position description, and a set of Key Performance Indicators ("KPIs") with annual goals. In accordance with the *Corporations Act 2001* (Cth) ("Corporations Act"), certain service contract details of senior managers who are KMP are summarised on page 16 of the 2020 Financial Report.

Each Manager's performance against his/her KPIs and goals is formally evaluated twice a year in accordance with the Performance Evaluation Process. This evaluation is used in calculating incentives and is also an input to determining future remuneration. The most recent performance evaluation of all Senior Managers, in accordance with this process, commenced in July 2020.

Diversity

The Group is an advocate of diversity and the Board has adopted and published a Diversity Policy in compliance with the ASX Principles and Recommendations. A copy is published on the Group's website. The Diversity Policy is designed to support the Group's commitment to diversity and to compliance generally with the ASX Principles and Recommendations.

The following table represents the portion of women employed by the Group at 24 September 2020.

| | Female | Male |
|--|---------------|-------------|
| Board Members | 1 | 4 |
| Senior Executives (members of Group Leadership Team) | 2 | 2 |
| Total Team Members | 786 | 726 |

The Board has considered that in light of these results, little practical merit would be served in formulating measurable objectives for achieving *greater* gender diversity, and the progress made towards them.

The Group does however have in place a range of initiatives to sustain its diverse workforce statistics, including in the areas of Board diversity, flexible working arrangements, family-friendly practices, targeted leadership programs and recruitment and selection practices.

Access to the Company's Workplace Gender Equality Report lodged with the Workplace Gender Equality Agency is available at: <https://www.vitagroup.com.au/script/cus/corporate-governance.asp>.

Principle 2: Structure the Board to Add Value

Disclose independence and length of service

The Board Charter sets out the structure of the Board and its committees, the framework for independence and arrangements for performance evaluation.

The Board comprises four Non-Executive Directors (including the Chairman) and one Executive Director (the Chief Executive Officer). The names, skills and experience of the Directors in office at the date of this statement, and the period of office of each Director, are set out on pages 2 to 3 of the 2020 Financial Report.

The Board structures itself by balancing the skills and experience on its Board to the industries in which the Group operates.

Majority of Directors independent

The Board distinguishes between the concept of independence and the issues of conflict of interest or material personal interests which may arise from time to time.

If at any time the Board is required to decide on any matter in which a Director has, or Directors have, an actual or potential conflict of interest or material personal interest, the Board's policies and procedures and the Company's Constitution require that:

- the interest is fully disclosed and the disclosure is recorded in the Board minutes
- the relevant Director is excluded from all considerations of the matter by the Board; and
- where possible, the relevant Director does not receive any segment of the Board papers or other documents in which there is any reference to the matter.

The relevant interests of the Directors in the shares of the Company are set out in the Director's Report on page 18 of the 2020 Financial Report.

The determination of independence remains a matter for the Board's judgement in accordance with its policy on independence. Until the Board otherwise resolves, the policy is that a Director will be independent if they are independent of management and free of any business or other relationship that could materially interfere with - or could reasonably be perceived to interfere with - the independent exercise of their judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

The independence of each Director is assessed annually by the Rem Committee, based on the interests disclosed by them. In assessing the independence of Non-Executive Directors, the Board will consider if the Director:

- is a substantial shareholder (within the definition of section 9 of the Corporations Act) of the Company, or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- has, within the last 3 years, been employed in an executive capacity by the Group
- has, within the last 3 years, been a partner, director or senior employee of a provider of advice or consulting services (including audit services) to the Group where the average annual amount paid for that advice or services exceeded 5% of the total annual fees earned by that firm or 1% of the Group's annual consolidated revenue
- has, within the last 3 years, been directly involved or associated with a supplier to the Group where the average annual amount paid by the Group to that supplier exceeds 5% of the annual consolidated group revenue of that supplier or 5% of the Group's annual consolidated revenue
- has, within the last 3 years, been directly involved or associated with a customer of the Group where the average annual amount paid to the Group by that customer exceeds 5% of the annual consolidated group revenue of that customer or 5% of the Group's annual consolidated revenue
- has a contractual relationship with the Group, which accounts for more than 10% of his/her annual gross income (other than as a director of the Group)
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the Company for such a period that his/her independence may have been compromised.

A Director must advise the Board if there is any change in the Director's interests, positions, associations or relationships that could bear upon his or her independence at the earliest opportunity.

The Board will state its reasons if it considers a Director to be independent notwithstanding the existence of a relationship of the kind referred to above. The Board has determined that all current Non-Executive Directors, namely Messrs Dick Simpson, Neil Osborne, Paul Wilson and Paul Mirabelle, to be independent for the duration of the reporting period. Accordingly, a majority of the Directors on the Board are independent and the Board is satisfied that it consist of an appropriate mix of tenures.

Chairman independent

The Chairman of the Group, Mr Dick Simpson, is an independent Non-Executive Director. Mr Simpson is not employed by the Group in an executive capacity.

Remuneration and Nomination Committee

The Group has a Remuneration and Nomination Committee operating under a written charter approved by the Board and is reviewed annually.

The Remuneration and Nomination Committee comprises four independent Non-Executive Directors (including the Committee Chair).

The names and qualifications of members of the Remuneration and Nomination Committee and their attendance at meetings are set out on pages 2 to 4 of the 2020 Financial Report. In accordance with the Committee Charter, any Non-Executive Director is entitled to be present at all meetings of the Committee, whether they are a member of the Committee or not after giving notice to the Chairman. Meetings of the Committee are attended, by invitation, by the Chief Executive Officer, the Chief People Officer, and such other senior staff or professional people as may be appropriate from time to time. The number of meetings of the Committee held during the year is set out on page 4 of the 2020 Financial Report.

The Committee regularly reviews the size, composition and effectiveness of the Board. This review includes an assessment of the necessary and desirable skills of Board members, Board succession plans, and consideration of appointments, re-elections and removals. The Committee also reviews the induction procedures for new directors. Evaluation of the Board's performance is carried out by the full Board.

The Remuneration and Nomination Committee also regularly reviews the time required from non-executive Directors and whether the existing Directors are meeting that requirement. Directors are required to inform the Chairman of the Remuneration and Nomination Committee before accepting any new position with a significant time commitment attached.

Board skills matrix

When a Board vacancy occurs, the Remuneration and Nomination Committee identifies the skills, experience and expertise that will complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria. In doing so, a Board skills matrix is used to identify gaps in skills and experience on the Board. The skills detailed in the matrix include those which the Board determines to be the most suitable to support the Company's strategic direction and include skills and experience in strategy and policy development, corporate governance, executive and commercial management, mergers and acquisitions, finance and funding and relevant industry experience.

The Remuneration and Nomination Committee uses a wide range of tools to identify potential candidates including professional associations and external search and selection agents. Candidate searches include background checks on character, education, employment experience, criminal record and bankruptcy history to ensure suitability. In its deliberations, the Remuneration and Nomination Committee is focused on whether a potential candidate's skill set and experience will add value to the Board, the number and nature of other directorships, and availability of time to commit to the Group's affairs.

When a Director is due to stand down at the next Annual General Meeting ("AGM"), attention is paid to the Director's performance and contribution, preparation for meetings and time availability. Prior to the Notice of Meeting for the AGM being sent out, the Remuneration and Nomination Committee reviews the performance of each Director due to stand down and reviews the mix of skills and experience required by the Board. Each Director involved is asked to formally acknowledge that he/she has sufficient time available to carry out the duties of a Director of the Company. If it is considered that a Director due to stand down should be recommended for re-election, a formal recommendation is made by the Remuneration and Nomination Committee in accordance with the Director Selection, Appointment, and Re-election Policy & Procedures.

Minutes of all Remuneration and Nomination Committee meetings are provided to the Board. The Chair of the Remuneration and Nomination Committee also reports to the Board after each Committee meeting.

Induction and professional development

The Group's director induction includes a strong emphasis on:

- the strategy, culture and values of the Group
- meeting arrangements and directors' rights, duties and responsibilities; and
- director interaction with each other, senior executives and other stakeholders.

The induction process for Directors includes visits to relevant stores, clinics and meetings with all relevant stakeholders.

The Board strongly supports the ongoing education and professional development of its Directors and senior management, and this is a regular Board item for discussion. This may include special presentations to the Board on topical matters of relevance, attendance at relevant external conferences or seminars and support for other measures.

Principle 3: Act Ethically and Responsibly

Code of Business Practice & Ethics

The Board has established a Code of Business Practice & Ethics that formalises the obligations and responsibilities of all employees and Directors to act ethically, behave with integrity, avoid conflicts of interest, and obey the law, in all business activities.

The Code provides for employees who become aware of possible breaches of the Code to report this. Such reports are treated confidentially to the extent possible consistent with the Group's obligation to deal with the matter openly and according to applicable laws. No employee will be subject to retaliation or disadvantage by reason of a bona fide report of possible noncompliance, in accordance with the Group's Whistleblower Policy.

Appropriate training programs on the Group's internal policies including Code of Business Practice & Ethics, workplace health and safety, environmental law compliance, and trade practices legislation support this process.

Whistleblower Policy

The Company is committed to promoting and supporting a culture of corporate compliance, honest and ethical behaviour, and good corporate governance, and has a whistleblower policy and framework in place to respond to any reports of potentially unethical, unlawful or improper practices or behaviours and to protect whistleblowers from detrimental conduct and breaches of their confidentiality. Matters are reported through any of the Whistleblower Protection Officers designated in the policy. Reports made under the policy and the progress and outcome of actions taken are reported to the Audit, Compliance & Risk Committee.

Anti-Bribery and Corruption Policy

The Company has an Anti-Bribery and Corruption Policy which prohibits all forms of bribery, facilitation payments, paying or receiving secret commissions and fraud. It also sets out the standards required of employees and contractors when dealing with third parties, and regarding the offering and acceptance of gifts and hospitality. The Company maintains a [gifts and corporate hospitality register] and other controls and processes to support the policy. The Board has overall responsibility for implementation of the policy.

Share Trading Policy

The Board has established written guidelines, set out in its Share Trading Policy, that restrict dealings by Directors and employees in the Company's shares.

The Share Trading Policy identifies certain periods when, in the absence of knowledge of unpublished price-sensitive information, Directors and senior management employees may, with the approval of the Chairman, buy or sell shares in the Group. These periods are the 30 days immediately following two days after the announcement of half year and full year results, and following the AGM, or the issue of a Prospectus offering shares in the Group.

The entering into of all types of "protection arrangements" (including hedges, derivatives and warrants) in connection with any of the Group's listed securities that are held directly or indirectly by Directors or employees is prohibited at any time. This prohibition extends to vested and unvested shares or options in any share or option plan.

No Director or employee holding, or having an interest in, or having control of through family, associates, colleagues, a private Group or a trust, more than 0.5 % of the Group's listed securities, is permitted to enter into 'margin loan' or similar arrangements in respect of those listed securities. If any Director or employee who holds, or has an interest in, or has control of through family, associates, colleagues, a private Group or a trust, any of the Group's listed securities, enters into a margin loan, or similar arrangements in respect of those listed securities, he or she must advise the Group of the existence and details of the arrangement.

Directors, Senior Managers, and employees having regular access to confidential information are required annually to sign a statement confirming that they have complied with the provisions of the Share Trading Policy.

Principle 4: Safeguard Integrity in Corporate Reporting

Audit, Compliance and Risk Committee

The Group has an established Audit, Compliance and Risk Committee operating under a written charter approved by the Board and reviewed annually. In accordance with the ASX Principles and Recommendations as well as ASX Listing Rule 12.7, the Audit, Compliance and Risk Committee comprises four independent Non-Executive Directors including its chairman who is not also Chairman of the Board.

The names and qualifications of members of the Audit, Compliance and Risk Committee and their attendance at meetings are set out on pages 2 to 4 of the 2020 Financial Report. Meetings of the Committee are attended, by invitation, by the Chief Executive Officer, the Chief Financial Officer, the engagement partner from the Group's external auditor, and such other senior staff or professional people as may be appropriate from time to time. The number of meetings of the Committee held during the year is set out on page 4 of the 2020 Financial Report.

The Committee assists the Board in fulfilling its responsibility to verify and safeguard the integrity of the Company's financial reporting, oversees and appraises the audits conducted by the Company's external auditors, monitors the adequacy of external reports for Shareholder needs, reviews the effectiveness of the Company's internal controls, and reviews the effectiveness of the risk management policies and practices and compliance framework of the Company.

The Committee has unlimited access to the external auditors, and to the senior management of the Group. The Committee may, with authority from the Chairman of the Board, consult with independent experts where they consider such consultation necessary to carry out their duties.

Minutes of all Committee meetings are provided to the Board. The Chairman of the Committee also reports to the Board after each Committee meeting.

CEO and CFO certification of financial statements

In accordance with the ASX Principles and Recommendations and Risk Management Policy, the Chief Executive Officer and Chief Financial Officer have stated in writing to the Board each financial period that:

- the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The statements from the Chief Executive Officer and Chief Financial Officer are based on formal sign off procedures reviewed by the Audit, Compliance & Risk Committee as part of the periodic financial reporting process.

Auditor appointment, independence and attendance at AGM

The Board has established an External Auditor Policy and Procedures, and assesses the performance of the External Auditors annually. The position of External Auditor will be put to tender from time to time. Grant Thornton was selected as the External Auditor of the Group for the financial year beginning 1 July 2015, subject to shareholder approval of the appointment at the AGM in November 2015. This shareholder approval was granted, and Grant Thornton has continued as External Auditor since then.

The external auditor, Grant Thornton, has declared its independence to the Board. The engagement partner will be rotated every 5 years in accordance with the Corporations Act. The Audit, Compliance and Risk Committee has examined detailed material provided by the external auditor and by management and has satisfied itself that the standards for auditor independence and associated issues are fully complied with.

The external auditor is also present at the AGMs and available to answer shareholder questions on matters relating to the audit generally, accounting policies, preparation and content of the auditor's report and the independence of the auditor in relation to the conduct of the audit.

Principle 5: Make Timely and Balanced Disclosure

The Group has established a Continuous Disclosure Policy to ensure compliance with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules, including timely disclosure of material information concerning the Company. This Policy includes internal reporting procedures in place to ensure that any material price sensitive information is reported to the Company Secretary, Chief Financial Officer, or Chief Executive Officer, in a timely manner. These policies and procedures are reviewed regularly to ensure that the Company complies with its obligations at law and under the ASX Listing Rules.

The Company Secretary is responsible for communications with the ASX, including responsibility for ensuring compliance with the continuous disclosure requirements under the ASX Listing Rules, and overseeing information going to the ASX, Shareholders and other interested parties.

In accordance with the Continuous Disclosure Policy, continuous disclosure is a standing agenda item for all Board and senior management meetings and is specifically addressed by each Director and manager at those meetings.

Principle 6: Respect the Rights of Security Holders

Communications Strategy

The Group has established a Shareholder Communication Policy to keep Shareholders informed of the Group's performance and all major developments in an ongoing manner. Information is communicated to shareholders through:

- the Annual Report which is posted on the Company's website, and mailed to Shareholders who have specifically requested it
- the interim (half-year) Shareholders' report which is posted on the company's website, containing summarised financial information and a review of the operations during the period since the annual report;
- ASX updates; Vita news articles; and
- other correspondence regarding matters impacting on Shareholders as required.

Information on website

All half-year and annual reports, and all relevant announcements made to the market, are placed in the 'Investors' section of the Company's website after release to the ASX. Shareholders who have requested notification are notified by email when new announcements are released. The Company's website also contains easily located links to other shareholder information, including details of the Company's directors and senior executives, notices of meetings, presentations and webcasts.

Participation at meetings of securityholders

Shareholders are also encouraged to participate in the AGM to ensure a high level of accountability and identification with the Company's strategies and goals. The Company provides shareholders with the opportunity to submit written questions that can be dealt with at the meeting or by individual response. Online proxy voting is also available to shareholders.

Investor relations program

The Group conducts regular briefings in order to facilitate effective two-way communication with investors and other market participants. The Group arranges for advance notice of significant Group briefings (e.g. results announcements) and makes them widely accessible including through the use of mass communication mechanisms. The Group also keeps a record of issues discussed at Group or one to one briefings with investors and analysts including a list of who was present and time and place of meeting.

Facilitate electronic communications

The Company seeks to continually improve its online and the functionality of its website and encourages shareholders to elect to receive shareholder reports and other communications electronically, which supports Vita's focus on sustainability. Shareholders are also encouraged to, and do, regularly communicate electronically with the Company and its share registry, Computershare.

Principle 7: Recognise and Manage Risk

Risk management framework

The Board is responsible for overseeing the establishment and implementation by management of risk management systems and reviewing the effectiveness of these systems. The Board has assigned responsibility as follows:

- The Audit, Compliance & Risk Committee reviews and reports to the Board in relation to the Group's financial reporting, internal control structure, risk management systems, and the internal and external audit functions; and
- Management is responsible for identifying, managing, and reporting to the Board on risks in accordance with the Risk Management Policy, through a formal organisation-wide risk management framework which is reviewed annually.

Further details on the Audit, Compliance & Risk Committee are set out in Principle 4 above.

A Risk Management Policy has been established and is reviewed annually by the Board.

Annual risk review

A review of the Group's risk management framework by the Board occurred again during the reporting period, and material business risks were evaluated and updated and the Board is satisfied that the risk management framework continues to be sound. A Risk Register has been established and the Company Secretary is responsible for its maintenance. The responsible manager for each risk has been identified and is required to report through the management chain to the Chief Executive Officer and the Audit, Compliance & Risk Committee on the maintenance of mitigating actions and the Residual Risk ranking of each risk within his/her area of responsibility.

Management of risk mitigation strategies forms part of the KPIs of managers at all levels.

Internal audit

The Group does not have an internal audit function. An Assurance Team, reporting to the Chief Financial Officer conducts regular audits of stores and clinics, and, using a scoring system, provides feedback to the store and to management on control and compliance matters relating to store and clinic operations. The performance of stores and clinics with unsatisfactory scores is monitored to ensure they bring their practices and controls up to the required standard. Managers associated with stores whose score is below Group benchmarks forfeit their commissions and bonuses until the required standards are met. Any instances of fraud are also identified and monitored by the Assurance Team, with senior operational management. Where appropriate, perpetrators are prosecuted and controls are reviewed to try and prevent future occurrences.

Sustainability risks

The Chief Executive Officer reports once a year to the Audit, Compliance & Risk Committee on the status of risks with a high residual risk ranking, and on the effectiveness of the management of the Group's material risks including any economic, environmental and social sustainability risks. The Chairman of the Audit, Compliance & Risk Committee reports to the Board once a year on the status of risks with a high Residual Risk ranking and the status of risk management generally.

The Company is not materially exposed to any economic, environmental or social sustainability risks. Nevertheless, Vita is in the process of creating a risk management strategy for economic, environmental and social sustainability risks, which will be aligned with the United Nations 17 Sustainable Development Goals. Activities already underway to mitigate risk include rigorous business planning, monitoring and reporting; the mapping of supply chains; the establishment of a climate action plan; and the detailed review of Modern Slavery requirements

Principle 8: Remunerate Fairly and Responsibly

Remuneration and Nomination Committee

The Remuneration and Nomination Committee of the Board is responsible for recommending and reviewing remuneration arrangements for the Directors, the Chief Executive Officer, and Senior Managers. The Remuneration and Nomination Committee assesses the appropriateness of the composition and amount of their remuneration on an annual basis. Where appropriate the Committee considers independent advice on policies and practices to attract, motivate, reward and retain strong performers.

The Committee recommends and reviews the terms and conditions of appointment of Directors, the Chief Executive Officer, and Senior Managers, and reviews the operation and effectiveness of Short-Term Incentive Plan and the Long-Term Incentive Plan.

Remuneration of directors and management

The Group's remuneration policy links the nature and amount of the Chief Executive Officer and Senior Managers' remuneration to the executives' personal performance, and the Company's long term financial and operational performance.

Performance linked compensation includes both short term ("STI") and long term ("LTI") incentives and is designed to reward Group executives for meeting or exceeding performance goals. The STI is an 'at risk' bonus provided in the form of cash in accordance with the rules of the Short-Term Incentive Plan, while the LTI is provided as performance rights over shares in the Company under the rules of the Long-Term Incentive Plan.

Non-Executive Directors receive an agreed annual fee, within the limits approved by Shareholders, and do not receive incentive payments or retirements benefits other than superannuation contributions.

Further details on the Remuneration and Nomination Committee are set out in Principle 2 above.

Further details of the remuneration of Non-Executive Directors, Executive Directors, and Senior Managers are contained in the Company's Remuneration Report on pages 8 to 18 of the 2020 Financial Report.

The Group's policy with regard to all types of "protection arrangements" (including hedges, derivatives and warrants) in connection with any of the Company's securities that are held directly or indirectly by Directors or employees is referred to under Principle 3 above and included in the Group's Share Trading Policy.

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

VITA GROUP LIMITED

ABN / ARBN:

62 113 178 519

Financial year ended:

30 June 2020

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

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.vitagroup.com.au/script/cus/corporate-governance.asp>

The Corporate Governance Statement is accurate and up to date as at 24 September 2020 and has been approved by the board.

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

Date:

24 September 2020

Name of Director or Secretary authorising
lodgement:

George Southgate, Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|---|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> in our Board Charter https://www.vitagroup.com.au/script/cus/corporate-governance.asp | |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in our Notice of 2020 AGM at: http://www.vitagroup.com.au/script/cus/asxannouncements.asp | |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |
| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p><input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/asx-announcements.asp</p> | |
| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |
| 2.3 | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our 2020 Annual Report</p> <p>https://www.vitagroup.com.au/script/cus/asx-announcements.asp</p> | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our 2020 Annual Report at: https://www.vitagroup.com.au/script/cus/asx-announcements.asp</p> | |
| 4.2 | <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |
| 4.3 | <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp | |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: <input checked="" type="checkbox"/> at http://vitagroup.com.au | |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | ... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp | |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our 2020 Annual Report</p> <p>https://www.vitagroup.com.au/script/cus/asx-announcements.asp</p> | |
| 7.2 | <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p> | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |
| 7.3 | <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> | |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
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| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at https://www.vitagroup.com.au/script/cus/corporate-governance.asp</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our 2020 Annual Report at:</p> <p>https://www.vitagroup.com.au/script/cus/asx-announcements.asp</p> | |
| 8.2 | <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> | <p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Remuneration Report which is contained in our 2020 Annual Report at:</p> <p>https://www.vitagroup.com.au/script/cus/asx-announcements.asp</p> | |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> in our Share Trading Policy at:</p> <p>https://www.vitagroup.com.au/script/cus/corporate-governance.asp</p> | |