

Qube Logistics Holdings Limited (ACN 149 723 053) (Company) Corporate Governance Statement

This Corporate Governance Statement sets out the Company's current compliance with the ASX Corporate Governance Council's 2nd edition Corporate Governance Principles and Recommendations with 2010 Amendments (**Recommendations**). The Recommendations are not mandatory. However, the Company will be required to provide a statement in future annual reports disclosing the extent to which the Company has followed the Recommendations.

	Recommendations	Compliance	Comment
1.	Lay solid foundations for management and oversight		
1.1.	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Complies	The board is responsible for setting and reviewing the strategic direction of the Company and monitoring the implementation of that strategy by executive management. The managing director is responsible for the day-to-day management of the Company with all powers, discretions and delegations authorised, from time to time, by the Board.
1.2.	Companies should disclose the process for evaluating the performance of senior executives.	Will comply	Assessment of the performance of the members of the senior executive team (including the Managing Director) will be undertaken by the Remuneration Committee and the Board.
1.3.	Provide the information indicated in <i>Guide to reporting on Principle 1</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 1.1, 1.2 and 1.3 (if any) in future annual reports. The functions of the board are set out in the Company's Board Policy.
2.	Structure the board to add value		
2.1.	A majority of the board should be independent directors.	Does not comply	As the board is currently constituted, none of the directors are independent. However, considering the extensive knowledge of each of the directors regarding the Company and its business divisions and substantial experience and recognition in the logistics industry generally, the Company considers that the board is appropriately structured. The board will continually assess the level of independence of the directors appointed to the board in accordance with the terms of the Board Charter, the interests they have disclosed and such other factors as the board determines are appropriate to take into account.
2.2.	The chair should be an independent director.	Does not comply	The Chairman is not independent. However, considering the extensive knowledge of the Chairman regarding the Company and its business divisions and substantial experience and recognition in the logistics industry generally, the Company considers that this knowledge and expertise outweighs the

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			benefits of having an independent Chairman.
2.3.	The roles of chair and chief executive officer should not be exercised by the same individual.	Complies	The managing director and the chairperson are different individuals.
2.4.	The board should establish a nomination committee	Will comply	The board will establish a Nomination Committee.
2.5.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Will comply	<p>The Company will establish a process of objectives setting and performance review of all directors and senior executives, which will be conducted on an annual basis.</p> <p>The process for evaluating the performance of the board will be set out in the Company's Corporate Governance Charter. In the case of the senior executive team (including the Managing Director) an assessment of their performance will be undertaken by the Remuneration Committee and the Board.</p>
2.6.	Provide the information indicated in <i>Guide to reporting on Principle 2</i> .	Will comply	<p>This information has been disclosed in the Unitholder Booklet and Prospectus dated 12 July 2011.</p> <p>The Company will provide an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6 in future annual reports.</p>
3.	Promote ethical and responsible decision-making		
3.1.	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity; the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	Complies	The Company has various policies and procedures in addition to a Code of Conduct and Securities Dealing Policy (both will be available on the Company's website) that apply to all directors and relevant employees. All codes and policies are designed to promote integrity, responsibility, accountability and adherence to relevant legislation.

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3.2.	Companies should establish a policy concerning diversity 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 for the board to assess annually both the objectives and progress in achieving them.	Will comply	The Company will establish a Nomination Committee to determine an appropriate policy concerning diversity. This policy will include a recommendation as to whether it is appropriate for the board to establish measurable objectives for achieving gender diversity for the board to assess annually.
3.3.	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Does not comply	See 3.2 above.
3.4.	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Does not comply	See 3.2 above.
3.5.	Provide the information indicated in <i>Guide to reporting on Principle 3</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 3.1 to 3.5 in future annual reports.
4.	Safeguard integrity in financial reporting		
4.1.	The board should establish an audit committee.	Will comply	The Company will have an Audit Committee.
4.2.	The audit committee should be structured so that it: <ul style="list-style-type: none"> • 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; • has at least three members. 	Does not comply	The Audit Committee: <ul style="list-style-type: none"> • will have 3 members who are financially literate; • will not consist of a majority of independent directors as the board, as currently constituted, does not presently have any independent directors. See response to Recommendation 2.1; • will be chaired by a non-independent director (as the board, as currently constituted, does not presently have any independent directors) who is not the chair of the board; • will have a written Charter that will be available in the Corporate Governance section on the Company's website; • will meet as required to assist the board in fulfilling its responsibilities in regard to closely monitoring the integrity of Company's financial reporting and the independence of the external auditor. Regular reviews will occur of the independence safeguards put in place by the external auditor.

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4.3.	The audit committee should have a formal charter.	Will comply	See above.
4.4.	Provide the information indicated in <i>Guide to reporting on Principle 4</i> .	Does not comply	The Company will provide the relevant details (including an explanation of any departures from Recommendations 4.1, 4.2, 4.3 and 4.4) in future annual reports.
5.	Make timely and balanced disclosure		
5.1.	Companies should 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.	Will comply	<p>The Company will establish a process to ensure that it is in compliance with its ASX Listing Rule disclosure requirements. This includes a confirmation by all executive management that their areas have complied with the Continuous Disclosure Policy, together with an ongoing obligation to advise the Company Secretary of any material non-public information arising in between confirmations.</p> <p>The Continuous Disclosure Policy will be summarised in the Company's Business Practices Document which will be available in the Corporate Governance section on the Company's website.</p>
5.2.	Provide the information indicated in <i>Guide to reporting on Principle 5</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 5.1 and 5.2 in future annual reports.
6.	Respect the rights of shareholders		
6.1.	Companies should design a communications strategy for promoting effective communication with shareholders and encouraging effective participation at general meetings and disclose their policy or a summary of that policy.	Will comply	<p>The Company will have a Shareholder Communications Policy which promotes effective communication with shareholders and encourages participation at general meetings. The Company Shareholder Communications Policy will be summarised in the Company's Business Practices Document which will be available in the Corporate Governance section on the Company's website.</p> <p>The Company will make all ASX announcements available via its website.</p>
6.2.	Provide the information indicated in <i>Guide to reporting on Principle 6</i> .	Will comply	The Company will provide an explanation of any departures from Recommendations 6.1 or 6.2 in future annual reports.
7.	Recognise and manage risk		
7.1.	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Will comply	<p>The Company is establishing policies for the oversight and management of material business risks.</p> <p>The Board is responsible for reviewing and approving the Company's and its group of companies (Group) Risk Management Framework (Framework) which is underpinned by three interrelated elements: governance, risk</p>

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			management and assurance. The Board will also review and approve the Group Risk Management Policy (Policy) which sets out the minimum requirements and roles and responsibilities for managing risk across the Group. All employees have a responsibility to identify, report and/or manage risk as it arises within the work environment. Summaries of the Policy and other significant risk policies will be included in the Company's Business Practices Document available in the Corporate Governance section on the Company's website.
7.2.	The board should require management to design and implement a 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.	Will comply	The Board is responsible for reviewing and overseeing the risk management strategy for the Company. Management will establish and implement a risk management and internal control system to manage the Company's material business risks.
7.3.	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Will comply	The Board will disclose whether it has received assurance from the Managing Director and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on sound systems of risk management and internal controls and ensure that the systems are operating effectively in all material respects in relation to financial reporting risks.
7.4.	Provide the information indicated in <i>Guide to reporting on Principle 7</i> .	Will comply	The Company will provide the relevant details (including an explanation of any departures from Recommendations 7.1, 7.2, 7.3 and 7.4) in future annual reports.
8.	Remunerate fairly and responsibly		
8.1.	The board should establish a remuneration committee.	Will comply	The Company will establish a remuneration committee.
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 a least three members.	Does not Comply	The Remuneration Committee: <ul style="list-style-type: none"> • will have 3 members; • will not consist of a majority of independent directors as the board, as currently constituted, does not have any independent directors. See response to Recommendation 2.1;

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			<ul style="list-style-type: none"> • will be chaired by a non-independent director (as the board, as currently constituted, does not presently have any independent directors) who is not the chair of the Board of directors; • will have a written Charter which will be available in the Corporate Governance section on the Company's website; • will meet as required to assist the board in fulfilling its corporate governance responsibilities in regard to: <ul style="list-style-type: none"> ○ the company's remuneration, recruitment, retention and termination policies and procedures for senior executives; ○ senior executives' remuneration and incentives; ○ superannuation arrangements; and ○ the remuneration framework for directors..
8.3.	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Will Comply	The Company will distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.
8.4.	Provide the information indicated in <i>Guide to reporting on Principle 8</i> .	Will comply	The Company will provide the relevant details (including an explanation of any departures from Recommendations 8.1, 8.2, 8.3 and 8.4) in future annual reports.