

Corporate Governance Policy

Contango Global Growth Limited
ACN 617 281 268

Date: 1 May 2017

Contango Global Growth Limited

ACN 617 281 268
Phone: +61 3 9222 2333 Level 27, 35 Collins Street Melbourne VIC Australia 3000
contango@contango.com.au www.contango.com.au

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Corporate Governance Framework and Policy

Date of adoption 1 May 2017

Introduction

Corporate governance refers to the system by which companies are directed and managed. It influences how the objectives of a company are set and achieved, how risk is monitored and assessed, and how performance is optimised. What constitutes good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet those circumstances.

ASX's best practice recommendations

In 2014, the ASX Corporate Governance Council (**Council**) released the *Corporate Governance Principles and Recommendations* which set out eight principles and 29 specific recommendations as to how ASX-listed companies can achieve best practice corporate governance, as well as the expectations of most investors (**ASX Principles**). While the ASX Principles are not mandatory, listed companies must annually report on whether they have complied with the guidance on an 'if not, why not' basis. Accordingly, if the Company chooses not to follow one of the ASX Principles, it must be able to explain why.

The board of directors (**Board**) of Contango Global Growth Limited ACN 617 281 268 (**Company**) supports the core principles and best practice recommendations published by the Council. To the extent the current policies, procedures and practices of the Company as contained in this Corporate Governance Policy (**Policy**) do not comply with the Council's principles and best practice recommendations, the Board has considered that such a departure is reasonable given the circumstances of the Company.

The Company's corporate governance policy and charters

The Company has adopted the following corporate governance charters and policies:

1. Primary Board Charter;
2. Audit and Risk Committee Charter;
3. Nomination and Remuneration Policy;
4. Supplementary policies.

Annexed to the end of this document are copies of each of the above charters and policies as adopted by the Board. A Securities Trading Policy dated 1 May 2017 has also been adopted by the Board and is published on the Company's website.

1. Primary Board Charter

This policy sets out the major principles adopted by the Board to manage its affairs and enable it to discharge its responsibilities. It operates in conjunction with the constitution of the Company and relevant laws (including under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and ASX Listing Rules).

1.1 Responsibilities and functions of the Board

The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its business and affairs. Directors are accountable to the shareholders for the Company's performance.

The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring the Company is properly managed. Directors must fulfil their fiduciary obligations to shareholders, but will also take into consideration the interests of other stakeholders in the Company, including investors, creditors and others with a legitimate interest in the Company's affairs.

The Board reviews and approves the Company's business plans and guiding policies.

The Company's business is to have an actively managed long only global equities portfolio. As at the date of this Policy, the Board has appointed Contango International Management Pty Limited ACN 617 319 123 (**Manager**) as investment manager to manage the portfolio of the Company pursuant to an investment management agreement dated 1 May 2017 (**Management Agreement**). The Manager is a wholly-owned subsidiary of Contango Asset Management Limited ACN 080 277 998.

The Manager has appointed WCM Investment Management (**Consultant**) as consultant to provide certain portfolio management services in respect of the Company's portfolio pursuant to a consultancy agreement dated 1 May 2017. As at the date of this Policy, the Company also has appointed the Manager to provide, or procure a related body corporate or third party, to provide certain services to the Company under a shared services agreement dated 1 May 2017, which services include company secretarial and financial controller services (**Shared Services Agreement**). As a consequence, the Company does not have any employees and has not appointed a Managing Director. References in this Policy to executives and management resources of the Company refer to the financial controller and company secretary provided or procured by the Manager under the Shared Services Agreement.

For guidance, the Board has also developed a broad set of policies (attached as section 4 to this Policy) describing how to deal with conflicts of interest, disclosure to the investment community, shareholder communication strategy and performance evaluation of the Board.

The primary functions of the Board include:

- (a) setting overall goals for the Company;
- (b) approving strategies, objectives and plans for the Company's businesses to achieve these goals;
- (c) ensuring business risks are identified and approving systems and controls to manage those risks and monitor compliance;

- (d) approving financial plans, annual budgets, major capital and operating expenditure and the Company's remuneration framework for outsourced providers;
- (e) oversee the performance of the Company's Manager, the Consultant and any successors and other service providers to the Company;
- (f) monitoring business performance in the implementation and achievement of strategic and business objectives;
- (g) approving major capital raisings, expenditure, acquisitions, divestments, restructuring and funding;
- (h) appointing and removing the chairperson of the Board (**Chairperson**);
- (i) reporting to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- (j) determining that satisfactory arrangements are in place for auditing the Company's financial affairs and overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (k) meeting statutory and regulatory requirements, overseeing the way in which the business risks and the assets of the Company are managed and ensuring the Company has in place an appropriate risk management framework; and
- (l) monitoring the effectiveness of the Company's governance practices.

1.2 Composition of the Board

The composition of the Board is determined using the following principles:

- (a) the Board is comprised of a minimum of 3 and a maximum of 10 directors. The directors have power under the Company's constitution to determine the number of directors from time to time, above 3 but not exceeding 10;
- (b) the Chairperson of the Board is to be an independent non-executive director;
- (c) the Board will have a majority¹ of independent non-executive directors.

1.3 Independent directors

All directors, whether independent or not, should bring an independent judgement to bear on Board decisions. An independent director is a non-executive director who is also not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

In determining whether a non-executive director is considered by the Board to be independent, the following factors affecting independence will be taken into account:

¹ According to ASX Recommendation 2.4, a majority of the board of a listed entity should be independent directors.

- (a) whether the director would be a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the Corporations Act) if the Company were incorporated in Australia;
- (b) whether the director was employed in an executive capacity by the Company or another group member and such employment ceased less than three years before serving on the board;
- (c) whether the director is or has been, within the last three years, a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) whether the director is or has within the previous three years been employed by, or a partner of, the external auditors of the Company or another group member;
- (e) whether the director is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer of the company or another group member;
- (f) whether the director has a material contractual relationship with the Company or another group member other than as a director of the Company; and
- (g) whether the director is free from any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence.

Directors considered by the Board to be independent will be identified as such, along with their length of service in that capacity, in the "Corporate Governance" section in the Company's annual report. The Board will state its reasons if it considers a director to be independent, despite the existence of relationships set out above, and the "Corporate Governance" section in the Company's annual report will disclose the existence of any such relationships.

The Board will regularly assess whether each non-executive director is considered to be independent. Information relevant to this assessment must be provided to the Board by each non-executive director. Should a director's independent status change, this will be disclosed and explained in a timely manner to the market.

1.4 Skills and diversity

The Board will ensure it collectively has the appropriate range of skills, knowledge, experience, expertise and diversity to properly fulfil its responsibilities, particularly in areas which include:

- (a) accounting/audit;
- (b) finance;
- (c) business;
- (d) legal, governance, compliance and risk;

- (e) global equities and international experience;
- (f) listed investment companies and investment management;
- (g) the Company's industry; and
- (h) relevant technical expertise.

The Board will review the range of skills and diversity of its members on a regular basis and ensure it has operational and technical expertise relevant to the operation of the Company.

1.5 Appointment and retirement of directors

The composition of the Board will be annually reviewed and, if it is considered appropriate to appoint new directors to the Board, the matter to be discussed at a full Board meeting. Nominations will be received and reviewed by the Board. The Board will then determine any special qualifications, experience or other prerequisites for the new director, and the manner of selecting that director.

The Board will ensure appropriate checks (including checks as to the person's character, experience, education, criminal record and bankruptcy history) are undertaken before it appoints a person, or nominates a new candidate for election, as a director.

The Board may use external consultants to access a wide base of potential directors. In considering the potential candidates, the Board will have regard to the range of skills and experience required in light of:

- (a) the current composition of the Board;
- (b) the need for independence;
- (c) the need for diversity in succession planning;
- (d) the strategic direction and progress of the Company;
- (e) the investment objectives and strategy for the management of the Company's portfolio; and
- (f) the geographic spread and diversity of the Company's business.

If the need for a new Board member is identified, the candidate must stand for election at the next general meeting of shareholders. In order to provide greater transparency around the appointment process, the Company will provide the following information to shareholders regarding the election of directors:

- (a) an overview of the process used to identify candidates, including use of a skills matrix or external consultants;
- (b) steps taken to ensure a diverse range of candidates are considered;
- (c) factors taken into account in the selection process; and
- (d) a statement from the Board as to whether it supports the proposed candidate's nomination.

The following information about the candidate standing for election or re-election as a director will be provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- (a) biographical details, including their relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) in the case of a candidate standing for election as a director for the first time:
 - (i) any material adverse information revealed by the checks the Company has performed about the director;
 - (ii) details of any interest, position, association or relationship that might materially influence, or reasonably be perceived to materially influence the candidate's capacity to independently judge issues before the Board and to act in the best interests of the Company and its shareholders generally;
 - (iii) if the Board considers the candidate will qualify as an independent director, a statement to that effect;
- (d) in the case of a candidate standing for re-election as a director:
 - (i) the term of office currently served by the director; and
 - (ii) if the Board considers the director to be an independent director, a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the candidate.

A candidate for appointment or election as a director should provide the Board with the information above and a consent for the Company to conduct any background or other checks the Company would ordinarily conduct. The candidate must also complete a 'Directors' Questionnaire' which provides details of his or her other directorships, personal interests, related parties and other commitments.

In accordance with the Company's Constitution no director may hold office for a period in excess of 3 years, or beyond the third annual general meeting (**AGM**) following the director's election, whichever is the longer, without submitting himself or herself for re-election.

The Company does not have a policy with regard to establishing a maximum term for the appointment of a director.

The Company will enter into written agreements with each director which will set out the terms of their appointment.

In the case of a non-executive director, the agreement will generally set out:

- (a) the term of appointment;
- (b) the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;

- (c) remuneration, including superannuation entitlements;
- (d) the requirement to disclose directors' interests and any matters which may affect the director's independence;
- (e) the requirement to comply with key corporate policies, including the Company's code of conduct and its trading policy;
- (f) the requirement to provide the Company with information about his or her shareholdings in the Company to enable the Company to comply with its obligations under the ASX Listing Rules;
- (g) Where the Company is required under the ASX Listing Rules and in contracts relevant to its securities to provide information to the ASX, then the Company will enter into an agreement with each director obliging them to provide the necessary information to the Company to enable the Company to discharge those obligations.
- (h) the Company's policy on when directors may seek independent professional advice at the expense of the Company;
- (i) the circumstances in which the director's office becomes vacant;
- (j) indemnity and insurance arrangements;
- (k) ongoing rights of access to corporate information; and
- (l) ongoing confidentiality obligations.

1.6 Diversity statement

The Company recognises diversity occurs in many forms including gender, age, ethnicity and cultural background, and that increased gender, age, ethnicity, and cultural diversity is associated with better financial performance, greater innovation and has a positive impact on the entire economy. The Company further acknowledges its policies, culture and environment will be cast to ensure a properly functioning diverse Board and in so doing, discrimination, harassment, vilification and victimisation will not be tolerated.

As the Company does not have any employees or management the Company has not adopted a diversity policy. However, the Board's composition is reviewed on an annual basis and in the event a vacancy arises, the Board will include diversity in its nomination process.

1.7 Board meetings

Board meetings are generally held on a quarterly basis. All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as is reasonably practicable.

The Board meeting agenda and relevant papers will be distributed to all directors prior to the meeting.

Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.

Directors will keep confidential all Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors will support the letter and spirit of Board decisions.

Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.

1.8 Remuneration of directors

Directors' fees are paid on a gross fees basis (except GST where applicable). The Board may determine that a separate payment is made for attendance at Board committee meetings or for other attendances to Company or Board activities.

Directors are not required to hold shares in the Company as part of their appointment.

The reasonable expenses incurred by directors in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.

There is no plan to provide remuneration, reward or other benefits to non-executive directors on their cessation as a director.

1.9 Board appraisal

A structured process has been established to review and evaluate the performance of the Board, its committees and individual directors. Each year, a survey of directors is coordinated by the Chairperson to review the role of the Board, its committees and individual directors, to assess the performance of the Board over the previous 12 months and to examine ways of assisting the Board in performing its duties more effectively, such as through further education.

For guidance, the Board has developed more detailed policies regarding performance evaluation of the Board at section 4 to this Policy.

1.10 Conflicts and Register of Directors' interests

Directors' other interests, which are likely to conflict with the interests of the Company, are to be declared by the relevant director at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, the director concerned will not attend the meeting at which the issue is discussed and will abstain from voting on the issue.

Each director is required to provide, and to continually update the Company with, details of their other interests (for example, employment, directorships, potential conflicts of interest, interests in contracts to which the Company is party, related party transactions, family ties) both before and during the holding of office.

Disclosure of this information will be made to the Company Secretary who will add the interest to the Register of Directors' Interests, and table the Register at each board meeting. Directors will be asked to confirm the accuracy of the Register, and the result will be minuted.

1.11 Independent professional advice

Each director has the right, with the prior approval of the Chairperson (such approval not to be withheld except in the case of an unreasonable request by a director), to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chairperson wishes to obtain independent professional advice, the Chairperson must obtain the prior authorisation of the chairperson of the Audit and Risk Committee (such approval not to be withheld except in the case of an unreasonable request by the Chairperson).

A copy of all the advice must be provided immediately to the Chairperson, and made available at the next Board meeting following receipt of the advice, unless it is privileged according to law and such disclosure would jeopardise that privilege.

1.12 Buying and selling shares

The Corporations Act prohibits "insider trading" and imposes significant penalties if a person with "inside information" engages in insider trading.

Examples of "inside information" are profit projections, knowledge of large contracts won or lost, knowledge of a merger or takeover or sale or knowledge of a significant change in personnel. The offence is to use information to trade or cause others to trade in the Company's shares. Causing others to trade means to incite, induce, encourage, or tip off.

In response to the above, the Company has developed a separate Securities Trading Policy which directors are required to comply with in all trading activities. Amongst other things, the Securities Trading Policy:

- (a) recognises it is the individual responsibility of each director to ensure they comply with insider trading laws; and
- (b) prohibits directors from directly or indirectly buying, selling or otherwise trading in the Company's shares where:
 - (i) by reason of being a director of the Company they possess material, price sensitive information which is not generally available; or
 - (ii) buying or selling those shares in some way infringes the law against insider trading.

1.13 Continuous disclosure

The Board is aware of its obligations with respect to continuous disclosure of material information and embraces the principle of providing access to that information to the widest audience of investors. The Board will regularly review the effectiveness of the Company's procedures to ensure its continuous disclosure is maintained.

The Company, in accordance with the provisions of the Corporations Act and the ASX Listing Rules, will advise ASX of any transaction conducted by directors in securities in the Company. A Board policy "*Disclosures to the Investment Community*" has been

issued and all directors are required to comply with that policy. A copy of the policy forms part of section 4 of this Policy.

1.14 Director education

The Company has an informal process to educate new and existing directors about the nature of its business, risk management position, current issues, corporate and financial strategy and position, and the expectations concerning performance of directors to ensure they have a thorough understanding of their roles and responsibilities.

1.15 Board committees

To ensure the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board may delegate certain specific duties to Board committees. Each committee will have a defined charter to assist and support the Board in the conduct of its duties and obligations. The structure and membership of each committee and their charters will be reviewed annually, where possible. Other committees may be constituted from time to time, as required.

1.16 Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes, among other things:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring whether Board and committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors.

The decision to appoint a Company Secretary will be formally resolved by the Board in accordance with section 204D of the Corporations Act. The decision to remove a Company Secretary will be made or approved by the Board.

2. Audit and Risk Committee Charter

2.1 General scope and authority

The Audit and Risk Committee is a committee of the Board and is established in accordance with the authority provided in the constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Audit and Risk Committee.

The primary role of the Audit and Risk Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal and regulatory compliance and financial reporting. The Audit and Risk Committee also has the responsibility for the review of the Company's corporate governance policy. The Committee will advise and assist the Board in the discharge of its responsibility to exercise due care, diligence and skill in relation to:

- (a) reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- (b) assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, governmental and other public bodies;
- (c) review and application of accounting policies;
- (d) financial management;
- (e) review of internal and external audit reports to ensure where weaknesses in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- (f) evaluation of the Company's compliance and risk management structure and procedures, internal controls and ethical standards;
- (g) review of business policies and practices;
- (h) conduct of any investigation relating to financial matters, records or accounts, and reporting those matters to the Board;
- (i) protection of the Company's assets;
- (j) compliance with applicable laws, regulations, standards and best practice guidelines; and
- (k) review of the Company's corporate governance policy.

2.2 Composition

The Audit and Risk Committee consists of a minimum of 3 directors of the Board, with a majority of independent directors. All members of the Audit and Risk Committee (including its chairperson) are appointed by the Board. The chairperson of the Audit and Risk Committee will be an independent director who is not the Chairperson of the Board. All members of the Audit and Risk Committee are to be financially literate. The Chairperson of the Board is an ex-officio member of the Committee. An appointment to

the Audit and Risk Committee will automatically terminate on that member ceasing to be a non-executive director of the Company.

The secretary of the Audit and Risk Committee will be the Company Secretary.

2.3 Meetings

The Audit and Risk Committee will meet as frequently as required but not less than twice per year. The Audit and Risk Committee may also meet at other times during the year to address specific issues referred by the Board and to review financial reports prior to presentation to the Board.

Any member of the Audit and Risk Committee may call a meeting of the Audit and Risk Committee.

A notice of meeting confirming the date, time, venue and agenda will be forwarded to each member of the Audit and Risk Committee in the week prior to the date of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Audit and Risk Committee from time to time.

Other directors, and other parties may attend Audit and Risk Committee meetings but only at the invitation of the chairperson of the Audit and Risk Committee.

The Audit and Risk Committee may conduct meetings without all members being in the physical presence of one another provided that all Audit and Risk Committee members involved in the meeting are able to participate in discussion.

The chairperson of the Audit and Risk Committee, or his or her delegate, will report to the Board following each meeting.

If the chairperson of the Audit and Risk Committee is absent from a meeting and no acting chairperson has been appointed, the members of the Audit and Risk Committee present at the meeting have authority to choose 1 of their number to be chairperson for that particular meeting.

Minutes of proceedings and resolutions of the Audit and Risk Committee meetings will be kept by the secretary. Minutes will be distributed to all Audit and Risk Committee members after preliminary approval has been given by the Audit and Risk Committee chairperson.

At the end of the Company's reporting period, the number of times the Audit and Risk Committee met through the period and the individual attendances of the members of the Audit and Risk Committee will be included in the "Corporate Governance" section of the Company's annual report.

2.4 Authority

The Audit and Risk Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of the Company or related parties or the investment manager and such officers or employees will be instructed by the Board to cooperate fully in the provision of such information.

The Audit and Risk Committee will maintain free and open communications with the Company's external auditors, internal auditors and management. The Audit and Risk Committee will periodically meet with the external auditors without representatives of management present to discuss the adequacy of the Company's disclosures and policies, and to satisfy itself regarding the external auditors' independence.

The Audit and Risk Committee also has authority at the Company's expense to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Audit and Risk Committee discharges its responsibilities by making recommendations to the Board, however it does not have any executive powers to commit the Board or management to their implementation. The Audit and Risk Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

2.5 Duties and responsibilities

The Audit and Risk Committee's main responsibilities are as follows:

(a) External Reporting

- (i) Consider the appropriateness of the Company's accounting policies and principles and any changes, as well as the methods of applying them, ensuring they are in accordance with the stated financial reporting framework.
- (ii) Assess significant estimates and judgements in financial reports by making inquiries of management about the process used in making material estimates and judgments and then making inquiries of the internal and external auditors as to the basis of their conclusions and the reasonableness of management's estimates.
- (iii) Review management's processes for ensuring compliance with laws, regulations and other requirements (including the Australian Accounting Standards, the Corporations Act, the ASX Listing Rules and the ASX Market Rules) relating to the external reporting of financial and non-financial information.
- (iv) Ensure that a comprehensive process is established by management to capture issues for the purposes of continuous reporting to ASX.
- (v) Assess information from internal and external auditors that affects the quality of financial reports (eg actual and potential material audit adjustments, financial report disclosures, non-compliance with the laws and regulations, internal control issues).
- (vi) Ask the external auditor for an independent judgement about the appropriateness of accounting principles used and the clarity of the financial disclosure practices used or proposed to be used as put forward by management.
- (vii) Review documents and reports to regulators and make recommendations to the Board on their approval or amendment.

- (viii) Assess the management of non-financial information in documents (both public and internal) to ensure the information does not conflict inappropriately with the financial statements and other documents and assess internal control systems covering information releases that have the potential to adversely reflect on the Company's conduct.
- (ix) Review the completeness and accuracy of the reporting of the Company's main corporate governance practices as required under the ASX Listing Rules or the rules of any other stock exchange where the securities of the Company are quoted.
- (x) Recommend to the Board whether the financial and non-financial statements should be signed based on the Audit and Risk Committee's assessment of them.
- (xi) Obtain a declaration in the form of a certification (**Declaration**) from the Manager that, in the opinion of the relevant financial officer, the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Declaration must be given before the Board approves the financial statements for the financial year.

(b) Related party transactions

Review and monitor the propriety of related-party transactions.

(c) Internal control and risk management

The Audit and Risk Committee is also responsible for:

- (i) Assessing the internal processes for determining and managing key risk areas, particularly:
 - (A) monitoring any non-compliance with laws, regulations, standards and best practice guidelines;
 - (B) important judgements and accounting estimates;
 - (C) contractual risks and indemnities;
 - (D) litigation and claims;
 - (E) insurance program;
 - (F) fraud and theft; and
 - (G) relevant business risks other than those that are dealt with by other specific Board committees.
- (ii) Assessing whether the Manager has controls in place for unusual types of transactions including any potential transactions that may carry more than an acceptable degree of risk.

- (iii) Assessing the effectiveness of and compliance with the Company's code of conduct.

(d) Internal audit

The internal audit function is to provide an independent assessment of risk and compliance with internal controls. The results of internal audits are reported to senior management and to the Audit and Risk Committee on a regular basis. In addition, processes have been put in place to ensure that appropriate follow up actions are taken in relation to significant audit findings and identified areas of risk.

The Audit and Risk Committee's internal audit responsibilities include:

- (i) reviewing the internal auditor's mission, charter and resourcing (including qualifications, skills, experience, funding and equipment);
- (ii) reviewing and approving the scope of the internal audit plan and work program;
- (iii) monitoring the progress of the internal audit plan and work program and considering the implications of internal audit findings for the control environment;
- (iv) monitoring and critiquing management's responsiveness to an internal audit's findings and recommendations;
- (v) evaluating the process which the Company has in place for monitoring and assessing the effectiveness of the internal auditor;
- (vi) overseeing the co-ordination of the internal auditor with the external auditor; and
- (vii) providing the opportunity for Audit and Risk Committee members to meet with the internal auditors without management personnel being present at least once a year.

(e) External audit

The Board and management need to ensure the statutory auditor is both independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders and investors with reliable and clear financial reports on which to base investment decisions.

The Audit and Risk Committee's external audit responsibilities include:

- (i) making recommendations to the Board on the appointment, remuneration and monitoring of the performance and independence of the external auditor;
- (ii) ensuring any suggestions by management that the auditor needs to be replaced or that the audit needs to be put out to tender are referred to and examined carefully by the Audit and Risk Committee with it reporting to the Board on its examination before any decision is made by the Board;

- (iii) reviewing the external auditor's fees and being satisfied that an effective, comprehensive and complete audit can be conducted for the set fee;
- (iv) at the start of each audit, agreeing on the terms of the engagement with the external auditor;
- (v) inviting the external auditor to attend Audit and Risk Committee meetings to, at least, review the audit plan, discuss audit results and consider the implications of the external audit findings for the control environment;
- (vi) together with the external auditor, reviewing the scope of the external audit (particularly the identified risk areas) and any additional agreed procedures on a regular and timely basis;
- (vii) enquiring of the auditor if there have been any significant disagreements with management irrespective of whether or not they have been resolved;
- (viii) monitoring and critiquing management's responsiveness to the external auditor's findings and recommendations;
- (ix) reviewing all representation letters signed by management and ensuring the information provided is complete and appropriate;
- (x) providing the opportunity for the Audit and Risk Committee members to meet with the external auditors without management personnel being present at least once a year;
- (xi) reviewing the external auditor's independence based on the external auditor's relationships and services with the Company and other organisations that may impair or appear to impair the external auditor's independence; and
- (xii) requesting the external auditor to attend the AGM of the Company to answer any audit related questions from shareholders.

(f) Corporate Governance

The Audit and Risk Committee will review the corporate governance procedures of the Company and, on a regular basis, consider:

- (i) external trends and developments in relation to corporate governance issues;
- (ii) the position which the Company should take in respect of those issues;
- (iii) the adequacy of the Company's corporate governance policies and practices; and
- (iv) the Company's communications with respect to corporate governance issues.

2.6 Fees and expenses

Directors' fees are set to include membership of any Board committees, however the Board may determine a separate payment is made for attendance at Audit and Risk Committee meetings.

The reasonable expenses incurred by Audit and Risk Committee members in discharging their obligations and attending Audit and Risk Committee meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

2.7 Review of terms of reference

The Audit and Risk Committee's terms of reference (the Company's risk management framework) are to be reviewed at least annually by the Audit and Risk Committee to ensure they remain consistent with the Audit and Risk Committee's authority, objectives and responsibilities. At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Corporate Governance" section of the Company's annual report.

Any significant changes to the terms of reference are to be recommended by the Audit and Risk Committee to the Board for approval.

2.8 Disclosure of terms of reference

Key features of the Audit and Risk Committee's terms of reference are included in the "Corporate Governance" section of the Company's annual report.

3. Nomination and Remuneration Policy

3.1 General scope and authority

The Board does not have and does not intend to establish a Nomination and Remuneration Committee because the formation of such a committee would be inefficient given the Company's size and nature, particularly as it has no employees nor operating functions. It would not serve to protect or enhance the interest of shareholders.

Board nomination and remuneration issues will be dealt with by the Board as a whole, on an annual basis.

In particular, the Board will consider the following issues:

- (a) assessing the size, composition, diversity and skills required by the Board to enable it to fulfil its responsibilities to shareholders, having regard to the Company's current and proposed scope of activities;
- (b) assessing the extent to which the required knowledge, experience and skills are represented on the Board;
- (c) establishing processes for the identification of suitable candidates for appointment to the Board;
- (d) overseeing succession planning for the Board;
- (e) establishing processes to review the performance of individual directors and the Board as a whole;
- (f) assessing the terms of appointment and remuneration arrangements for non-executive directors; and
- (g) reviewing the appropriateness of directors' remuneration.

4. Supplementary policies

4.1 Code of Conduct

Directors, are expected to perform their duties in a professional manner and act with the utmost integrity, objectivity and in accordance with appropriate ethical standards in all dealings with each other, the Company, and the community, striving at all times to enhance the reputation and performance of the Company. All directors and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information.

The Company's Code of Conduct consists of the following principles:

- » The Company will conduct its business operations with full regard to and compliance with all legal obligations of the Company.
- » The Company's directors, officers, employees, contractors and agents:
 - will act in the best interests of the Company;
 - will act honestly and with high standards of personal integrity;
 - will comply with the laws and regulations that apply to the Company and its operations;
 - will not knowingly participate in any illegal or unethical activity;
 - will not enter into any arrangement or participate in any activity that would conflict with the Company's best interests or that would be likely to negatively affect the Company's reputation;
 - will not take advantage of the property or information of the Company or its investors for personal gain or to cause detriment to the Company or its investors;
 - will not take advantage of their position or the opportunities arising therefrom for personal gain;
 - will, at all times in the course of performing their duties, adhere to all workplace and occupational health and safety requirements, work instructions and directives and will refrain from any irresponsible, negligent or unsafe actions or work;
 - are expected to work in a supportive and cooperative manner, and the Company will not condone any form of harassment. All cases of harassment will be promptly resolved through counselling and conciliation processes;
 - will not knowingly reveal confidential information, trade secrets or information concerning intellectual property or practices, which could be injurious to investors or the Company's own business interests.
- » The Company encourages the reporting of unlawful/unethical behaviour by its directors, contractors and agents and will actively promote ethical behaviour and protection for those who report violations in good faith.

- » The Company encourages individuals to join appropriate organisations and associations that can effectively represent their work interests.
- » The Company will communicate the code of conduct to all its employees, contractors and agents.

4.2 Disclosures to the Investment Community

(a) Background

As part of the Company's overall policy of open disclosure, the Company ensures all material communications regarding its operations are made available to all interested stakeholders in a timely fashion. To ensure information about or concerning the Company given to the news media is timely, accurate, consistent, appropriate and conforms with Company policy, no public statement may be made on any matter concerning the Company's work, portfolio or performance of its Manager or investors except in accordance with this policy.

The ASX Listing Rules and the Corporations Act require listed companies to immediately advise ASX of any material information which is price sensitive (unless one of the exceptions applies).

(b) Board policy on disclosure

The Board is aware of its continuous disclosure obligations in respect of material information, and embraces the principle of providing access to that information to the widest audience.

To ensure these principles are appropriately actioned, the Board has nominated the Company Secretary as having responsibility for:

- (i) ensuring the Company complies with continuous disclosure requirements;
- (ii) overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- (iii) educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.

To safeguard against inadvertent disclosure of price sensitive information, the Board has agreed to keep to a minimum the number of directors authorised to speak on the Company's behalf. In order of precedence, the following combinations of officers have authority to speak on behalf of the Company without the prior approval of the Board:

- (i) the Chairperson, separately; then
- (ii) the Chairperson and a non-executive director, jointly; then
- (iii) in extreme circumstances, any 2 directors, jointly.

These officers are also authorised to clarify information the Company has released publicly through ASX, but must avoid commenting on other price sensitive matters.

The Company has determined the Company Secretary must be made aware of any information disclosures in advance, including information to be presented at private briefings. This will minimise the risk of breaching the continuous disclosure requirements.

The Company Secretary is responsible for:

- (i) ensuring the Chairperson is aware of all sensitive information that may be required by the ASX Listing Rules and the law to be publicly released through ASX before disclosing it to any person, including analysts and others outside the Company;
- (ii) ensuring all information released through ASX is promptly made available to its bankers and other parties to whom it has a similar reporting responsibility;
- (iii) the further dissemination of information, after it has been released through ASX, to investors and other interested parties;
- (iv) posting such information on the Company's website immediately after ASX confirms it has received such announcements;
- (v) reviewing all briefings and discussions with media representatives, analysts and major shareholders, to check whether any price sensitive information has been inadvertently disclosed. If so, to immediately announce the information through ASX.

Responses to enquiries from market analysts are to be confined to errors in factual information and underlying assumptions. Earnings expectations are to be managed by using the continuous disclosure regime and any change to expectations is to be made by ASX announcement before commenting to anyone outside the Company.

The Company will include in the "Corporate Governance" section in the annual report an account of its policy for complying with its continuous disclosure obligations under the Listing Rules.

4.3 Shareholder communications strategy

The Board acknowledges the need for effective communications with shareholders. To encourage participation with shareholders at shareholder meetings, the Board has adopted the following strategy:

- (a) shareholder meetings are structured to provide effective communication to shareholders and allow reasonable opportunity for informed shareholder participation;
- (b) the external auditor attends the AGM and is available to respond to shareholder questions in relation to any audit related questions;
- (c) the Company's annual report is available to be sent to each shareholder (at the shareholder's option);
- (d) in addition to the annual report, the Company issues a report with the release of the half-year and full-year financial results, which is sent to all shareholders;

- (e) the Company posts on its website all relevant announcements made to the market (including information used for analyst briefings and press releases) after they have been released to ASX;
- (f) the Company posts on its website all of its relevant corporate governance information, including weblinks to the following information:
 - (i) an overview of the Company's current business;
 - (ii) a description of how the Company is structured;
 - (iii) a description of the investment strategy;
 - (iv) details of the Manager and Consultant;
 - (v) a summary of the Company's history;
 - (vi) once they are known, the time, venue and other relevant details for results, presentations and the AGM;
 - (vii) historical information about the market prices of the Company's securities;
 - (viii) a description of the Company's dividend or distribution policy;
 - (ix) information about the Company's dividend or distribution history;
 - (x) copies of media releases the Company makes;
 - (xi) contact details for enquiries from security holders, analysts or the media;
 - (xii) contact details for its share registry;
 - (xiii) links to download key security holder forms, such as transfer and transmission forms, dividend or distribution reinvestment plan;
 - (xiv) the names, photographs and brief biographical information for each of its directors and any senior executives;
 - (xv) its constitution, its Board charter and the charters of each of its Board committees;
 - (xvi) the corporate governance policies and any other relevant corporate governance materials;
 - (xvii) copies of its annual reports and financial statements;
 - (xviii) copies of its announcements to ASX;
 - (xix) copies of notices of meetings of security holders and any accompanying documents;
 - (xx) if it keeps them, webcasts and/or transcripts of meetings of security holders and copies of any documents tabled or otherwise made available at those meetings;

- (xxi) if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of any materials distributed at those presentations;
- (g) the Company will disclose in the annual report 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, especially where those risks could affect the Company's achievement of its financial performance or outcomes disclosed;
- (h) where possible, the Company will post advance notification of significant group briefings (eg results announcements) through the Company's website;
- (i) general shareholder questions may be posed to the Company or its share registry via email communication (please refer to the Company's website) or by written or telephone correspondence to the Company Secretary or its share registry as applicable; and
- (j) the Company will provide shareholders with the option to receive communications from it, or its share registry, electronically.

4.4 Directors and Board performance evaluation

The Chairperson of the Board has authority to develop key performance indicators for Board members to assess the performance of the Board as a whole, their own individual performance and the performance of each of their fellow directors. A sample of such issues is as follows:

(a) Board - General

- (i) Board agenda and papers;
- (ii) conduct of meetings;
- (iii) committee structure and performance;
- (iv) effectiveness of Board working together;
- (v) relationships with investment manager;
- (vi) relationships with shareholders; and
- (vii) AGM.

(b) Board - Activities

- (i) quality of strategy and performance indicators;
- (ii) adequacy of risk management practices;
- (iii) corporate governance practices;
- (iv) performance of Auditor;

(c) Individual performance evaluations

- (i) contribution of individual directors;

(ii) performance of the Company Secretary.

(d) Looking forward

(i) mix of skills – current and future requirements; and

(ii) areas for improvement.

(e) Process

The Chairperson will have individual meetings with each director to assess their views on these issues and to identify any areas of concern or opportunity for improvement of performance of the Board or individual directors or both.

The Chairperson will provide a summary of his or her findings to the Board and is responsible for ensuring agreed actions are implemented. It is recognised that some findings will be of a sensitive nature and will not be included in the Chairperson's report but will be acted on by the Chairperson on a one to one basis.

This process will occur at least once each calendar year and more frequently at the discretion of the Chairperson.

At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Corporate Governance" section of the Company's annual report.