

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MFF Capital Investments Limited

ABN / ARBN:

32 121 977 884

Financial year ended:

30 June 2017

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.mffcapital.com.au/our-business/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 28 July 2017 and has been approved by the board.

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

Date: 28 July 2017

Name of Director or Secretary authorising
lodgement: Geoffrey Stirton 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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
1.5	A listed entity should: (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; (b) disclose that policy or a summary of it; and (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: (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 (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☐ at [insert location] ... 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at https://www.mffcapital.com.au/ ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at https://www.mffcapital.com.au/ [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
4.2	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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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
4.3	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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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: ☒ at https://www.mffcapi.com.au/	☐ an explanation why that is so in our Corporate Governance Statement
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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so 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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so 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
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at https://www.mffcapital.com.au/ ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at https://www.mffcapital.com.au/ [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so 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
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... 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: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so 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
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☐ at [insert location] ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

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
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement



Corporate Governance Statement

MFF Capital Investments Limited

ABN 32 121 977 884

Current as at and approved by the Board on 28 July 2017

Overview

MFF Capital Investments Limited (the '**Company**') is a company with a focus upon listed investments. Its shares are traded on the Australian Securities Exchange ('ASX'). The Company's sole employee is its Managing Director and Portfolio Manager. Magellan Asset Management Limited (MAM) provides investment research and administrative services to the Company.

Responsibility for governance rests with the Company's Board and management any statements, policies and procedures are subject to this overriding responsibility.

The Company's Directors and management recognise the importance of good corporate governance. The Company's corporate governance framework, policies and practices are designed to ensure the effective management and operation of the Company, and will remain under regular review.

This Corporate Governance Statement reports against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('ASX Recommendations') 3rd Edition. To the extent they are relevant to the Company, the ASX Recommendations have been adopted by the Company. Where, after due consideration, the Company's corporate governance practices depart from an ASX Recommendation, this Corporate Governance Statement will set out the reasons for the departure.

Principle 1: Lay solid foundations for management and oversight

1.1 Role and Responsibilities of the Board

The Board is responsible for the overall operation and stewardship of the Company and is responsible for its overall corporate governance. The Board will act in the best interests of the Company to ensure the business of the Company is properly governed. The Company's corporate governance policies revolve around its Board Charter, the purpose of which is to:

- promote high standards of corporate governance;
- clarify the role and responsibilities of the Board; and
- enable the Board to provide strategic guidance for the Company and effective operational oversight.

The Board Charter will apply subject to applicable legal and regulatory requirements, including duties and obligations imposed on the Board by statute and general law. The Board may review and amend the Board Charter at any time. The Board Charter is available on the Company's website.

The principal responsibilities of the Board include:

- assessing the Company's overall performance;
- reporting to shareholders;
- appointing and removing the Managing Director and Portfolio Manager and carrying out succession planning for the Managing Director and Portfolio Manager as applicable;
- reviewing the performance of the Managing Director and Portfolio Manager, his/her remuneration and contractual arrangements;
- exercising all rights conferred on it and performing all obligations imposed on it under agreements with service providers;
- setting the designated authorities for the Managing Director and Portfolio Manager in respect to portfolio construction and investment management decisions;
- providing strategic guidance to the Managing Director and Portfolio Manager;
- monitoring the services provided by service providers and agents appointed by the Company;

- reviewing at regular intervals the relevant aspects of agreements entered into with service providers and agents;
- oversight and ensuring compliance with best practice corporate governance requirements; and
- ensuring the risk management systems, including internal controls, operating systems and compliance processes, are operating efficiently and effectively.

Subject to any legal requirement and the Company's Constitution, the Board may delegate any of the above powers to individual Directors, committees of the Board or management. Any such delegation shall be in compliance with the law and the Company's Constitution. The Board has authorised MAM to act as agent in certain circumstances but has expressly reserved certain matters which require a decision of the Board.

1.2 Board composition

The Company's Board comprises Directors:

- with an appropriate range of skills, experience and expertise;
- who can understand and competently deal with current and emerging business issues; and
- who can effectively monitor and review the performance of the Managing Director and Portfolio Manager, MAM and other service providers and exercise independent judgment.

The following persons were Directors of the Company during the year:

- Richard Warburton AO (Chairman, Independent Non-Executive Director)
- John Ballard (Independent Non-Executive Director)
- Andy Hogendijk (Independent Non-Executive Director)
- Chris Mackay (Managing Director and Portfolio Manager).

Details of each Director's background, date of appointment and attendance at Board meetings are set out in the Directors' Report. The Board is confident that each of the Directors will bring skills and qualifications to the Company which will enable them to effectively discharge their individual and collective responsibilities as Directors of the Company.

The Company's Constitution provides that there must be a minimum of three and a maximum of ten Directors, subject to Board determination which currently limits the maximum at five directors. Having regard to the size of the Company and the nature of its business, the Board has determined that a four member Board of Directors is the appropriate composition for the Board and will enable it to continue to effectively discharge its responsibilities to the Company.

When appointing new Directors, the Board will undertake an appropriate process having regard to the current Board composition, their experience and other factors.

A Director must retire from office no later than three years following the Director's last election or appointment and may seek re-election at the Company's annual general meeting.

1.3 Written agreements with directors and senior executives

Each Director has signed a letter which sets out the terms and conditions of their appointment.

1.4 Role of company secretary

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

The role of the Company Secretary is to:

- advise the Board and its Committees on governance matters;
- monitor that Board and Committee policy and procedures are followed;
- co-ordinate the timely completion and despatch of Board and Committee papers;
- ensure that the business at Board and Committee meetings is accurately captured in the minutes; and
- help to organise and facilitate the induction and professional development of Directors.

Each Director can communicate directly with the Company Secretary and vice versa.

1.5 Diversity

The Company has not established a Diversity Policy or set measurable objectives for gender diversity in accordance with ASX Recommendation 1.5. Given the Company has one employee, the Board has determined that a Diversity Policy and the setting of measurable objectives for achieving gender diversity are not warranted. Gender diversity is reviewed periodically in the context of Board renewal.

1.6 Evaluation of board performance

Under the Company's Board Charter, the Board will conduct a review of its collective performance and the performance of its Directors every 2 years. This review will consider the Board's role; the processes of the Board and its Committees; the Board's performance; and each Director's performance before the Director stands for re-election. A review was conducted in 2017.

1.7 Evaluation of senior executive performance

As the Company has no executives other than the Managing Director and Portfolio Manager, it is considered appropriate that this be addressed as part of the evaluation of the performance of the Board at 1.6. The Managing Director and Portfolio Manager is a substantial shareholder of the Company (and has interests closely aligned to the interests of all shareholders). His performance may also be measured based on total returns to shareholders over relevant time periods.

Principle 2: Structure the board to add value

2.1 Nominations Committee

ASX Recommendation 2.1 provides that the Board should establish a Nominations Committee. Given the size and the nature of the Company, the Board has determined that a Nominations Committee is not warranted. The Board considers the issues that would otherwise be considered by a Nominations Committee.

2.2 Board skills matrix

The following table sets out the key skills and experience of the Directors and the extent to which they are represented on the Board and its Committees.

In addition to the skills and experience outlined in the table the Board considers that each Director has appropriate attributes relating to:

- honesty and integrity;
- understanding shareholder value;
- sufficient time to undertake the role appropriately;
- an inquiring mind able to apply to matters of the Board;

- considering materiality thresholds and risk tolerance in decision making; and
- demonstrated commitment to appropriate standards of governance.

Board skills and experience	Board	Audit and Risk Committee
Total Directors	4 Directors	3 Directors
Executive leadership	4 Directors	3 Directors
Governance	4 Directors	3 Directors
Strategy	4 Directors	3 Directors
Risk	4 Directors	3 Directors
Financial acumen	4 Directors	3 Directors
Remuneration/Human Resources	4 Directors	3 Directors
Public policy/Regulation	4 Directors	3 Directors

2.3 Details of independent directors

Based on the ASX Corporate Governance Council guidance the following table provides the analysis of the Independent Directors of the Company:

Director Name	Independent Yes/No	Reason if No	Date Appointed
Richard Warburton (Chairman)	Yes	-	19 October 2006
John Ballard	Yes	-	19 October 2006
Andy Hogendijk	Yes	-	19 October 2006
Chris Mackay	No	Executive, substantial shareholding	29 September 2006

2.4 Board comprises a majority of independent directors

The Board has a majority of Independent Non-Executive Directors. An Independent Non-Executive Director is a Non-Executive Director who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

2.5 Board chairman independence

The Chairman of the Board is an independent Non-Executive Director and a resident Australian citizen. More information about the Chairman's responsibilities are contained in the Board Charter, a copy of which can be found on the Company's website.

2.6 New director induction

Where new Directors are appointed they will be expected to understand the Company's business and its policies and procedures. Directors are expected to maintain the skills and knowledge required to discharge their obligations.

Principle 3: Act ethically and responsibly

3.1 Code of Conduct

The Company has a Corporate Code of Conduct (the “Code”) that applies to Directors of the Company. The purpose of this Code is to:

- articulate the high standards of honest, ethical and law-abiding behaviour that the Company expects of its Directors;
- encourage the observance of those standards so as to protect and promote the interests of shareholders and other stakeholders;
- guide the Company’s Directors as to the practices thought necessary to maintain confidence in the Company’s integrity; and
- set out the responsibilities and accountabilities of Directors to report and investigate reports of unethical practices.

A copy of the Corporate Code of Conduct is available on the Company’s website.

3.2 Trading Policy

The Company has a Trading Policy that sets out the circumstances in which the Company’s Directors and employees may trade in the Company’s securities. The Policy places restrictions and notification requirements, including the imposition of blackout periods and the need to obtain pre-trade approval.

A copy of the Company’s Trading Policy has been lodged with the Australian Securities Exchange (ASX) and is available on the Company’s website.

Principle 4: Safeguard integrity in corporate reporting

4.1 Audit committee

Committee composition

The Company has established an Audit and Risk Committee (**‘Committee’**). The Committee comprises the three independent Non-executive Directors with the Managing Director and Portfolio Manager attending by invitation, subject to exclusion by the Committee Chairman as may be required from time to time.

The following persons were members of the Committee during the year:

- Andy Hogendijk (Chairman, Independent Non-Executive Director)
- John Ballard (Independent Non-Executive Director)
- Richard Warburton AO (Independent Non-Executive Director)

Details of each Committee member’s qualifications, experience and attendance at Audit and Risk Committee meetings are set out in the Annual Report which can be found on the Company’s website.

The Chairman of the Committee is an Independent Non-Executive Director and is not the Chairman of the Board.

Objectives and responsibilities of the Committee

The key objectives of the Committee are to assist the Board to discharge its responsibilities in relation to:

- effective management of financial and operational risks;
- compliance with applicable laws and regulations;
- accurate financial reporting; and
- maintenance of an effective and efficient audit.

A copy of the Committee's Charter is available on the Company's website.

The Committee will endeavour to:

- maintain and improve the quality, credibility and objectivity of the financial accountability process;
- promote effective communication between the Board, MAM and other service providers and agents;
- ensure effective audit functions and communications between the Board and the Company's auditor;
- ensure that compliance strategies are effective; and
- ensure that Directors are provided with financial and non-financial information that is of high quality and relevant to the judgments to be made by them.

The Committee will meet a minimum of four times each year. The Chairman of the Committee will report to the Board in respect of each Committee meeting. The Committee conducts an assessment of its performance every two years in accordance with the Charter.

Independent external audit

The Company's independent external auditor is Ernst & Young. The Committee is responsible for recommending to the Board the appointment and removal of the external auditor. The independence and effectiveness of the external auditor is reviewed regularly. The Committee is also responsible for ensuring that the external audit engagement partners are rotated in accordance with relevant statutory requirements, and otherwise after a maximum of five years' service.

The external auditors attend the Committee's meetings when the Company's half year and full year Financial Statements are being considered. The external auditors also attend other meetings where relevant items are on the Committee's agenda.

4.2 CEO and CFO Declaration

In respect of the half year and annual financial statements the Managing Director and Portfolio Manager for the Company has made certifications to the Board to the effect that:

- the financial records of the Company for the financial year have been properly maintained;
- the Company's Financial Statements and notes applicable thereto give a true and fair view of its financial position and performance and comply with the requirements of the Accounting Standards, Corporations Act and Corporations Regulations;
- the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and control which, in all material aspects, implements the policies adopted by the Board; and
- the risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

All statements are internal documents and are subject to the terms thereof, including references to the Company's utilisation of MAM and other service providers.

It is noted that the Managing Director and Portfolio Manager makes a single declaration referencing the financial and executive functions. The Managing Director and Portfolio Manager and the Board receive quarterly reports from MAM in respect of the services provided which include the maintenance of the Company's financial records and the production of the Company's financial statements. The Managing Director and Portfolio Manager, the Audit and Risk Committee and the Board receive an annual report on internal controls from MAM and other service providers.

4.3 External auditor attends AGM

The Company's external auditors attend the Company's Annual General Meeting and are available to answer questions from shareholders in relation to the conduct of the audit, the Audit Report, the accounting policies adopted by the Company in preparing the Financial Statements and the independence of the auditors.

Principle 5: Make timely and balanced disclosure

The Company is committed to complying with its continuous disclosure obligations under the Corporations Act 2001 and the ASX Listing Rules and releasing relevant information in a timely and direct manner and to promoting investor confidence in the Company and its securities.

5.1 Continuous disclosure policy

The Board has adopted a Continuous Disclosure Policy that is designed to ensure:

- the Company complies with its continuous disclosure obligations under the Corporations Act 2001 and the ASX Listing Rules;
- the Company provides shareholders and the market with timely, direct and equal access to information issued by it; and
- that information which is not generally available and which may have a material effect on the price or value of the Company's securities be identified and appropriately considered for disclosure to the market.

The Continuous Disclosure Policy, which is available on the Company's website, also sets out the procedures in relation to releasing announcements to the market and discussions with analysts, the media or shareholders.

The Company's market announcements will also be available on its website after they are released to the ASX.

Principle 6: Respect the rights of security holders

6.1 Provision of information to investors

The Board is committed to ensuring that shareholders are properly informed of material matters that affect the Company's position and prospects. It seeks to accomplish this through:

- the release of the Company's Half Year Results in February each year;
- the release of the Company's Full Year Results in August each year;
- the release of the Chairman's Letter to Shareholders each year;
- the release of Company's Annual Report in September each year;

- the release of the Chairman's and Managing Director and Portfolio Manager's addresses to the Annual General Meeting;
- the posting of the Company's weekly and monthly NTA on the Company's website as soon as it is disclosed to the market; and
- the posting of significant information on the Company's website promptly after it is disclosed to the market.

The Company also maintains the following information on its website:

- A copy of the Constitution, Board and Committee Charters and various Policies;
- ASX Releases;
- Share Registry details and where to access share price information;
- Dividend Schedule and Policy; and
- An annual calendar of key events.

6.2 Investor relations

The Company does not have an investor relations program. In recent financial years the Company has released written communications to the market at least weekly which has been designed to facilitate effective two way communication with investors.

The Company provides a formal process for the submission of questions to be answered at the Annual General Meeting, as well as receiving questions from the floor or electronically (if offered) at the meeting.

The Company recognises the need to ensure any external comments relate to information that is within the public domain and/or is not price sensitive information.

6.3 Shareholder participation at meetings

The Company holds its Annual General Meeting in October and a copy of the notice of Annual General Meeting is posted on the Company's website and mailed to shareholders. The Board encourages shareholders to attend the Annual General Meeting or to appoint a proxy to vote on their behalf if they are unable to attend. The formal addresses by the Chairman and Managing Director and Portfolio Manager at the Annual General Meeting are disclosed to the market.

The Company's external auditor will be invited to attend any Annual General Meeting and will be available to answer questions about the conduct of the audit and the preparation and contents of the Auditor's Report.

6.4 Option for electronic shareholder communications

The Company recognises the benefits of the use of electronic communications and shareholders have the option of selecting to receive the following information electronically from the share registry:

- dividend statements;
- annual reports;
- notices of meetings and proxy forms and the ability to vote online; and
- other general company communications.

Shareholders can log into their account to make these changes. The share registry can also be contacted via email or telephone. Contact details can be found on the Company's website.

Principle 7: Recognise and manage risk

7.1 Risk committee

The Company complies with the Recommendations, details of the required disclosures are set out at 4.1 Audit Committee in respect of the Audit and Risk Committee.

7.2 Review of risk management framework

The Board, through the Audit and Risk Committee, is responsible for ensuring:

- the oversight and management of material business risks to the Company;
- the review of reports provided by MAM and other service providers and agents appointed by the Company;
- that effective systems are in place to identify, assess, monitor and manage the risks of the Company and to identify material changes to the Company's risk profile; and
- the monitoring of compliance with laws and regulations applicable to the Company.

Risks assessed include:

- implementing strategies (strategic risk);
- outsourced services and operations or external events (operational and investment risk);
- legal and regulatory compliance (legal risk);
- changes in community expectation of corporate behaviour (reputation risk)
- being unable to fund operations or convert assets into cash (liquidity risk); and
- contingency plans in the event of incapacity of the Managing Director / Portfolio Manager (personnel risk)

The Company has implemented risk management and compliance frameworks. These frameworks ensure that:

- an effective control environment is maintained;
- accountability and delegations of authority are clearly identified;
- risk profiles are in place and regularly reviewed and updated;
- timely and accurate reporting is provided to the Board and its respective Committees; and
- compliance with the law, contractual obligations and internal policies (including the Corporate Code of Conduct) is communicated and demonstrated.

The Company has a Risk Management Process, which defines the process used to identify risks, the execution of appropriate responses, the monitoring of risks and the controls applied to mitigate risks associated with the Agreements and with its other arrangements with MAM, other service providers, and agents. The risk management framework is subject to periodic and ongoing review consistent with the size and complexity of the Company's operations.

7.3 Internal audit function

The Company does not have an internal audit function.

7.4 Economic, environmental and social sustainability risks

The principal activity of the Company is the investment into a portfolio of a minimum of twenty exchange listed international and Australian companies.

The investee companies in which the Company invests may have a material exposure to economic, environmental or social sustainability risks. The Company does not otherwise believe it has any material exposure to economic, environmental or social sustainability risks.

Principle 8: Remunerate fairly and responsibly

8.1 Remuneration Committee

ASX Recommendation 8.1 provides that the Board should establish a Remuneration Committee. Given the size and the nature of the Company and the fact the Company has only one employee, the Board has determined that a Remuneration Committee is not warranted, nor does it have a Remuneration Policy to disclose.

Remuneration for the Independent Non-Executive Directors is set at market rates commensurate with the responsibilities borne by the Independent Non-Executive Directors. Remuneration for the Managing Director and Portfolio Manager is determined by the Board. Further information is provided in the Remuneration Report contained within the Directors' Report.

8.2 Disclosure of remuneration policies and practices

The policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of the Managing Director and Portfolio Manager are disclosed in the Remuneration Report contained within the Annual Report, available on the Company's website.

8.3 Equity based remuneration schemes

The Company does not have an equity based remuneration scheme.