

Corporate Governance Statement

The Board of Legend Corporation Limited (Legend) seeks to practice the highest ethical and commercial standards while executing its responsibilities in directing the business and affairs of the Company on behalf of its shareholders.

This report discloses corporate governance practices Directors would like to highlight to stakeholders.

This Statement is current as at 28 June 2017 and has been approved by the Legend Corporation Limited Board.

Useful Links: Visit [Charters](#) to view Corporate Governance documentation Visit [Policies](#) to view Corporate Policies and Codes.

PRINCIPLE 1 LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Functions of Board and Management

The company has formalised and disclosed the roles and responsibilities of the board and those delegated to senior management.

The Board of the company is responsible for the overall corporate governance of Legend, including its ethical behavior, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising company performance and maximising shareholder value.

The responsibility for the operation and administration of the consolidated entity is delegated by the Board to the Chief Executive Officer.

The role of management is to support the Chief Executive Officer and implement the running of the general operations and financial business of the company, in accordance with the delegated authority of the Board.

The functions reserved to the board are included in the [Board Charter](#)

The Board has delegated a number of responsibilities to its Committees. The role and responsibilities of these Committees are explained later in this statement. Directors may attend any Committee meetings. The Board receives copies of the minutes of all Committee meetings.

Day-to-day management of the business and operations of the Company is delegated by the Board to management through the Managing Director, subject to the agreed authority limits. The Board has delegated, to management, responsibility for:

- Strategy - development of strategies and the making of recommendations to the Board on such strategies;

- Management - management and performance of the Company in accordance with the strategy, business plans and policies approved by the Board;
- Financial performance - developing the Company's annual budget, managing day-to-day operational and capital expenditure, and ensuring that the Financial Reports present a true and fair view of the Company's financial condition, and are in accordance with the relevant accounting standards;
- Risk management - establishing and maintaining effective risk management frameworks and internal control systems;
- Continuous disclosure - keeping the Board and the market fully informed about material developments; and
- Selection of senior management - making recommendations for the appointment of senior management, determining terms of appointment, and evaluating performance and development of senior management. Legend has obligations to its stakeholders to ensure the company is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, a formal Limits of Authority policy and procedure is regularly updated to ensure that all commercial arrangements, capital expenditure, operational expenditure and other commitments are appropriately documented and that the relevant management levels within Legend, (including the Legend Board) have full transparency of, and have authorised all material transactions or commitments. For clarity the policy is broken into a number of areas;

- Operational Expenditure, Budgeted and Unbudgeted;
- Capital Expenditure, Budgeted and Unbudgeted;
- Contractual Commitments or Commercial Arrangements; and
- Legend Supply or Service Contracts.

Members of the Board visit the Company's places of business and meet with local management as appropriate. These actions enable Directors to enhance their knowledge of the Company's activities and assist them in setting the performance for senior executives.

Legend has obligations to its stakeholders to ensure the company is managed with appropriate due diligence and that all necessary processes are implemented to minimise risk and maximise business opportunities.

To this end, all commercial arrangements, capital expenditure, operational expenditure and other commitments are appropriately documented and have been authorised by either the Chief Executive Officer or the board as appropriate.

The composition of the Board is determined in accordance with the Company's constitution and the following principles and guidelines:

- The Board should comprise of at least three Directors with at least two Non-Executive Directors;

- The Board should comprise of Directors with an appropriate range of qualifications and expertise; and
- The Board should meet formally at least eight times per annum and informally on an as required basis with all Directors being made aware of, and having available, all necessary information, to participate in an informed discussion of all agenda items.

View [Board Charter](#).

1.2 Election or Re-election of directors

The full Board undertakes the role of the Nomination Committee to identify and recommend potential director appointments. Where a casual vacancy arises during the year, the Committee has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective board. Any director appointed during the year to fill a casual vacancy or as an addition to the current board, holds office until the next Annual General Meeting and is then eligible for re-election by the shareholders.

The Group's objective is that the Board should be of a size and composition that is conducive to effective decision making, with the benefit of a variety of perspectives and skills and in the interests of the Company.

The Committee undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Board renewal and succession planning is part of the Company's overall governance program and the Company remains committed to a Board which includes a mix of Non-Executive members who have outstanding track records and reputations at the highest levels of business and commerce generally.

1.3 Agreements with Directors and Senior Executives

New directors receive a letter of appointment which sets out the terms of their appointment. On appointment, an induction program is available to directors that include one-on-one sessions with members of the senior management team.

The letter of appointment also sets out a procedure in relation to obtaining independent professional advice at the Company's expense. Directors are able to take independent professional advice, and are required to make that advice available to the other Directors. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information.

Senior executives, including the Chief Executive Officer have a formal job description and letter of appointment describing their term of office, duties, rights, responsibilities and entitlements upon termination.

The performance of senior executives is reviewed annually before the budgets are approved for the next financial year. This process is a formal one with the executive's performance assessed against company, division and personal benchmarks. Benchmarks are agreed with the respective senior executives and reviews are based upon the degree of achievement against those benchmarks.

Induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making. The induction program includes orientation of:

- The company's financial position, strategies, operations and risk management policies; and
- The respective rights, duties, responsibilities and roles of the board and senior executives.

A performance evaluation for the board and senior executives has taken place in the reporting period and was in accordance with the process disclosed.

1.4 Accountability of the Company Secretary

The Company Secretary works with the Chair, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies, if requested by the Board or Board Committees. The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role, and also provides secretariat services for each of the Board Committees. The Committee agendas, papers and minutes are available to all members of the Board.

The roles of the Company Secretary are set out in the Board Charter which is located on the Company's website at www.legendcorporate.com/investor_relations/board_charter Details regarding the Company Secretary, including his expertise and qualifications, are set out in the Directors' Report in the 2017 Annual Report.

1.5 Diversity

The Board of the Company has formally approved a Diversity Policy in order to address the representation of women in management positions and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

The Board recognizes that it is appropriate to have gender diversity throughout the company to assist in balancing overall priorities and skills for the company as a whole. Further disclosures in relation to gender diversity targets and performance are included in the Chief Executive Officer's Report in this Annual Report.

View [Policies](#).

The Company values an inclusive culture where all people are able to succeed to the best of their ability. These principles also guide our employees' conduct in all their dealings with stakeholders of the Company. Diversity is regarded as a key factor in enabling the Company to attract the broadest range of talent in the market.

Our commitment to diversity requires that we work to ensure an environment which is supportive of equality and access for all our staff to career opportunities, development, remuneration and benefits. Diversity includes but is not limited to gender, age, disability, ethnicity, religion and cultural background. However, the initial emphasis by the Company is on gender diversity with a primary goal being to strengthen the representation of women in management positions.

1.6 Evaluation of the Board, its Committees and Individual Directors

The Board is committed to formally evaluating its performance, and of the performance of the Board Committees and individual Directors as well as the governance processes supporting the Board. The Board is committed to transparency in assessing the performance of the Board. The Board does this through an annual self assessment process and any recommendations for improvement which become apparent from that review, are discussed by the board.

During the year the board undertook a performance review of the board, its committees and its directors, managed by the chair of the Remuneration Committee. The conclusions of the self assessment of the board's performance during the previous year and any recommendations for improvement which become apparent from that review, are discussed by the board.

The performance evaluation was undertaken using the process disclosed above.

1.7 Evaluation of Senior Executives

The Company has an established process of objective setting and performance review of all staff.

Senior Executives have defined objectives which are agreed at the commencement of each financial year. Their performance against these objectives is assessed annually, in addition to regular feedback during the performance period. The potential future development of the Executive is discussed, together with any training required to assist in achieving the development objectives and progression within the Company.

In the case of the Senior Executives (including the Managing Director), an assessment of their performance is undertaken by the Remuneration Committee and the Board. This assessment was undertaken during the year by following the process as described above.

In addition to the induction program provided to new employees, new members of the Executive Management team undertake an induction program customised to

their needs. This typically includes one on one meetings with every member of the Executive Management team, and visits to major sites. Senior Executives and senior managers also participate in training sessions on key topics of relevance such as changes in corporate governance standards, legislation, and compliance.

A performance evaluation for senior management was undertaken during the year and was in accordance with the process developed by the board for that purpose.

1.8 Workplace Health, Safety and the Environment

The Company is committed to ensuring the safety and wellbeing of all employees, its clients, customers, and members of the public. The Company provides ongoing training across the organisation, with respect to its legal obligations, and specific training as to operational risks in the field.

The Company values the environment and recognises the responsibility to protect our surroundings. Operations are managed in an environmentally responsible manner.

PRINCIPLE 2

STRUCTURE THE BOARD TO ADD VALUE

2.1 Nomination and Remuneration Committee

The Board has combined the Nomination and Remuneration Committees, with the two distinct roles, having regard to the size and requirements of the Company.

The objective of the Nomination and Remuneration Committee is to support and advise the Board in relation to the identification, selection, recommendation and appointment, of the Board, the Directors and the Senior Executives, as well as the ongoing evaluation and review of their performance. It is also responsible for the general remuneration, recruitment and termination policies and practices.

The Committee comprises the two non-executive Directors, Mr Bruce Higgins (Chairman and Independent Director), Mr Ian Fraser, but does not comply with Principle 2.1 because of the size of the company, The Executive Directors may be invited to attend Nomination and Remuneration Committee discussions.

The Committee met during the year and considered that the number of directors and their level of skills and experience was appropriate. The committee is aware of the need to continually assess the skills available to the board. Where additional skills are considered necessary, candidates for director are sought from the wider market place with a view to selecting the most appropriate candidate for the chosen role on the board. The directors undertook a peer review of board performance during the year with the objective of ensuring that the skills of the directors were appropriate and to comment on ways to improve board performance for the betterment of shareholder value.

View the [Nomination and Remuneration Committee Charters](#)

The qualifications of members of the Committee, together with their attendances at

committee meetings is disclosed in the Directors' Report in the Annual Report 2017. No member of the Committee will participate in a review of their own performance or re-appointment.

There are no retirement schemes or retirement benefits other than statutory benefits for non-executive directors.

The company did not employ remuneration consultants to assist with the evaluation of the remuneration of its senior executives and directors and relies instead on market evaluation and peer company analysis during the year.

2.2 Board Skills

The Legend objective is to have an appropriate mix of experience and expertise on its Board and Committees so that the Board is able to effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills matrix as follows:

Expertise	Experience
	Industry
<ul style="list-style-type: none"> • Financial knowledge and experience • Legal, governance and compliance • Strategy • Commercial acumen • Risk management • Health and safety • Sustainability • Remuneration and nominations • Government relations • Executive leadership 	<ul style="list-style-type: none"> • Electrical and electronic • Manufacturing and distribution • Wholesale and retail selling
	Market
	<ul style="list-style-type: none"> • Power Utilities • Cable and installation • Wholesale electrical
	Geographic
	<ul style="list-style-type: none"> • Australia • New Zealand

2.3 Independent Directors

The composition of the Board is set out in the table below:

Name	Position	Independent
Bruce Higgins	Chair/Non-Executive Director	Yes
Bradley Dowe	Managing/Executive Director	No
Ian Fraser	Non-Executive Director	Yes

Biographies of the Directors and the length of their tenure are included in the section on the Board of Directors in this Annual Report.

The Board considers that it should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of members, free from interests and influences which conflict with that duty, and are also independent of management.

The Board continually assesses the independence of each Director in accordance with the interests they have disclosed, and such other factors as the Board determines are appropriate.

In making this determination, the Board is seeking to assess whether Directors are:

- Independent of management;
- Free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgement; and
- Capable of making decisions without bias and which are in the best interests of all members.

The board considers two of Legend's directors as independent under the guidelines; that is Chairman Bruce Higgins and non-executive director Ian Fraser. The board has assessed that those directors do not have an interest that compromises their independence.

In assessing the independence of directors, the board follows the ASX guidelines as set out in the Board Charter.

Mr Dowe is not considered to be independent because he is both an executive director and a substantial shareholder in the company.

Each Non-Executive Director has signed a letter of appointment which, amongst other things, places an onus on each independent Director to promptly and fully disclose to the Board any matter or circumstance which may impact on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. Where the Board concludes that a Director has lost the status as an independent Director, that determination will be advised to the market.

The Nomination Committee's Charter discloses a process for selection and appointment of new Directors and re-election of incumbent Directors.

Recommendations regarding future appointment of additional Directors will be made by the Nomination Committee, and considered by the Board, having regard to:

- The assessment made on the skill set required to discharge the responsibilities of the Board, compared with the skills currently represented on the Board;
- The current strategic direction of the Company, and the consequent need to consider skills which may be required in the future; and

- The suitability of available candidates, identified in the context of a detailed description of the role and capabilities required, for a particular appointment.

Recommendations made by the Nomination Committee will be considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director, by the members of the Company at a General Meeting.

2.4 Majority Independence

The Board currently has three members. Of these, two are independent Non-Executive Directors. These Directors are considered by the Board to be independent of management and free of any business or other relationship, or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

2.5 Chair and Independence

ASX Council recommends that listed companies should have an independent Director as Chair, and that the roles of Chair and Chief Executive Officer should not be held by the same person.

Mr Bruce Higgins is the Chair of the Board and is considered to be independent by the Board, having regard to the guidelines for independence. Mr Bradley Dowe is the Chief Executive Officer.

2.6 Professional Development of Directors

Upon appointment, new Directors undertake an induction program specifically designed to their needs, to assist in familiarising them with issues relating to the current business before the Board.

New Board members are provided with the opportunity to experience the operations of the Company, and to meet and discuss all aspects of the Company's operations with key members of Executive Management. As part of the induction program, access is provided to information in areas such as; operations, finance, treasury, and risk management, to assist new Board members as required.

On an ongoing basis, Directors are provided with periodic updates on legal and corporate developments, particularly those pertaining to matters relating to the responsibilities of boards and directors generally, health and safety, changes to the Corporations Act 2001 (Cth), corporate governance principles, tax and accounting developments, and other matters of interest. Management conducts regular briefing sessions to the Board and Board Committees on operational, financial, treasury, legal, and tax issues of relevance to the Board.

PRINCIPLE 3

PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Ethics and Integrity

The Company has adopted an Ethics and Integrity policy to maintain confidence in the company's integrity, its legal obligations and the expectations of its stakeholders. The company is committed to being a socially responsible corporate citizen, using honest and fair business practices, to act in the best interests of clients so as to achieve the best outcome for shareholders.

The Board has procedures in place for reporting any matters that may give rise to unethical practices or conflicts between the interests of a director or senior executive and those of the company. These procedures are reviewed as required by the board. The Ethics and Integrity Policy clarifies the processes for directors and senior executives to determine and disclose when a conflict of interest exists.

View our [Ethics and Integrity](#).

PRINCIPLE 4

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit and Compliance

Committee Composition

The Board has established an Audit Committee comprised of the two non-executive directors. This committee operates under a charter to enable it to perform its role and responsibilities. View our [Charter](#). Where considered appropriate, the company's external auditors and the company's management are invited to attend meetings. The members of the Audit Committee are Mr Ian Fraser (chair) and Mr Bruce Higgins.

As the company has only three directors, of which one is the managing director who is not independent, the company does not comply with Recommendation 4.1 that the committee should comprise three members. The committee is chaired by an independent chair who is not the chairman of the board.

The qualifications of members of the committee together with their attendances at committee meetings is disclosed in the Directors' Report within the 2017 Annual Report.

The Audit Committee meets with external auditors at least twice each year (and more frequently if required), to review the adequacy of existing external audit arrangements, and the scope of the audit. The external auditors have a direct line of communication at any time to either the Chair of the Audit Committee, or the Chair of the Board.

The Audit Committee reports to the Board after each Committee meeting, and the minutes of each Audit Committee meeting are included in the Board papers.

The external auditors, the Managing Director and the Chief Financial Officer are invited to attend Audit Committee meetings at the discretion of the Committee.

View [Audit Committee Charter](#).

4.2 Declaration by Chief Executive Officer and Chief Financial Officer

The Audit and Risk Management Committee provides the board with additional assurances regarding the reliability of financial information for inclusion in the financial statements. To that extent, the Chief Executive Officer and the Chief Financial Officer are required to declare to the board that in their opinion the Financial Statements and notes to the Accounts within the Annual Report are in accordance with the Corporations Act 2001, comply with the Accounting Standards and the Corporations Regulations 2001 and give a true and fair view of the financial position of the company and are based upon a sound system of risk management and internal compliance and control prior to the signing of the Directors' Declaration in the Annual Report.

The Chief Executive Officer and the Chief Financial Officer have provided that assurance.

4.3 Attendance of External Auditor at Annual General Meeting

The Board ensures that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

PRINCIPLE 5

MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure Policy

The Company's Continuous Disclosure Policy underlines the Company's commitment to ensuring that the Company's members, and the market, are provided with high quality, relevant and accurate information in a timely manner; and that investors are able to trade in Company securities in a market which is efficient, competitive and informed, as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Company. The Company is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules, and the Corporations Act 2001 (Cth).

The Policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters, and are expressed in a clear and objective manner. The Policy also outlines how the Company identifies and distributes information to members and the market generally. The Continuous Disclosure Policy also requires senior executives in possession of disclosable information to comply with that policy.

View the [Continuous Disclosure Policy](#).

PRINCIPLE 6

RESPECT THE RIGHTS OF MEMBERS

6.1 Communications with Members

The board aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the company's activities and its state

of affairs, including information necessary to assess the performance of the directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to shareholders;
- The Half Yearly Report which is available on the company's web site;
- The Annual General Meeting and other meetings called to obtain shareholder approval for board action as appropriate. Shareholders are encouraged to attend and participate at the company's Annual General Meeting and other General Meetings;
- Letters to shareholders when considered to be appropriate and informative;
- Announcements to the Australian Securities Exchange; and
- View [Investor information](#)

The Company strives to ensure that company announcements via the ASX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

View the [Communications Policy](#).

Shareholders' Role

The shareholders of the Company are responsible for voting on the election of directors at the Annual General Meeting in accordance with the Constitution.

All directors (other than the Chief Executive Officer) are subject to re-election by rotation, no later than every three years.

The Company uses its corporate website as a means of providing information to members, and the broader investment community. A section of this website is dedicated to Legend's investors. Media releases, investor presentations and interim and full-year financial reports are available for review on the www.legendcorporate.com website.

Also available for review on the website are notices of members' meetings, and explanatory documents issued by the Company in respect of those meetings. A copy of the Chair's address to the AGM, the AGM presentation, and the outcome of voting on the items of business, are posted to the website following the AGM.

Members are encouraged to attend the AGM held each year, and to use these opportunities to ask questions and vote on important matters affecting the Company, including the election of Directors, the receipt of annual financial statements, and the advisory vote on the remuneration report. The external auditor attends the AGM and is available to answer questions.

Members are given the option to receive communications from and to send communications to Legend and its security registry electronically.

View the [Communications Policy](#).

PRINCIPLE 7

RECOGNISE AND MANAGE RISK

7.1 Risk oversight and management and internal control

Because of the size of the Company, the entire Legend board is responsible for overseeing the risk management function rather than delegating this responsibility to a committee. The company believes that it is crucial for all board members to be a part of the process and as such has established risk management as a component of the board's function.

The board is responsible for ensuring the risks and opportunities are identified on a timely basis.

The board has a number of mechanisms in place to ensure the management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Implementation of board approved operating plans and budgets;
- Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both a financial and non-financial nature; and
- The establishment of committees to report on specific risk as identified.

Internal Risk Management System Compliance

Management is accountable to the Chief Executive Officer to ensure that operating efficiency, effectiveness of risk management procedures, internal compliance control systems and controls and policies are all being monitored. Management has designed and implemented a risk management and internal control system to manage the company's material business risks and reports to the board at each meeting on the effective management of those risks. The company has identified a series of operational risks which it believes to be inherent in the industry in which the company operates. These include:

- Changed operating, market or regulatory environments;
- Fluctuations in demand volumes;
- Fluctuations in exchange rates; and
- Increasing costs of operations.

The board requires the Chief Executive Officer and Chief Financial Officer every half year to provide a statement confirming that a sound system of risk management and internal control is in place and that the system is operating effectively in all material respects in relation to financial risks. The board has received that assurance.

The board has reviewed the Company's risk management framework during the period to satisfy itself that it continues to be sound.

Monitoring Performance

The Board and senior management monitor the performance of all divisions through the preparation of monthly management accounts. The monthly management accounts are prepared using accrual accounting techniques and report each business unit's result as contribution after overhead allocation. These monthly management accounts are compared to monthly budgets, which have been set allowing for the seasonality of anticipated revenues and costs in each of the divisions.

The monitoring of the company's performance by the board and management assists in identifying the correct allocation of resources and staff to maximise the overall return to shareholders.

7.2 Management of material business risks

The Board has delegated specific risk related responsibilities to the Managing Director, who, in turn, has delegated these responsibilities to management.

Each Senior Executive, and all managers, are responsible for:

- Assisting in the formulation of all aspects of the risk management process;
- Overseeing the implementation of the Company's policies and procedures by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of the Company; and
- Implementing appropriate systems for confirming compliance with all relevant laws, and other regulatory obligations, are complied with.

The Managing Director reports to the Board on an annual basis on the effectiveness of the Company's management of its material risks. The risk review has been undertaken by the board during the year.

7.3 Internal Audit Function

The Company does not have an internal audit function, with the role of the internal audit function being undertaken by the entire Board through the Audit Committee.

7.4 Material Exposure to Economic, Environmental and Social Sustainability Risks

Sustainability is the integration of environmental, social and governance factors into the Company's decision making to create short and long term shareholder value.

For Legend, sustainability enables us to intelligently weigh the economic, environmental, social and governance aspects on the long-term ability to prosperously sustain the business. By adopting sustainable practices and implementing them throughout the entire organisation, we have developed a

business model that creates greater customer value. Some of the practices which Legend employs to manage those risks include:

- Working cooperatively and effectively with our business partners;
- Safe work practices and all aspects of occupational health and safety;
- Keeping re-work to a minimum;
- Celebrating cultural differences; and
- Upskilling the workforce through training.

PRINCIPLE 8 REMUNERATE FAIRLY AND RESPONSIBLY

The Company's remuneration policy is designed to attract and retain high caliber Directors and Senior Executives, capable of meeting the specific management needs of the Company.

The Company's current remuneration objectives and policies regarding determination of base pay, the short term variable bonus, and long term equity linked incentives, are explained in the Remuneration Report, which forms part of the Directors' Report in the 2017 Annual Report.

Details of the remuneration of all Directors and Key Management Personnel are set out in the Remuneration Report.

8.1 Nomination and Remuneration Committee

Because of the size of the Company, the Board has combined the Nomination and Remuneration Committee with the two distinct roles. The composition of the Nomination and Remuneration Committee is as set out in the Directors' Report on the 2017 Annual Report.

The Board recognises the ASX's recommendation that the Nomination and Remuneration Committee should be chaired by an independent chair and consist of three members, a majority of whom are independent. The Chair, Mr Bruce Higgins is independent and the Committee consists of a majority of independent Directors but because of the size of the board, only has two members. The Committee met during the financial year, as set out in the Directors' Report.

In relation to remuneration, the objective of the Committee is to assist the Board in establishing remuneration policies and practices which:

- Enable the Company to attract and retain Executives and Directors who will create sustainable value and returns for members and other stakeholders;
- Fairly and responsibly reward Executives and Directors, having regard to the performance of the Company, the Executive, and the market; and
- Comply with all relevant legislation and regulations including the ASX Listing Rules and the Corporations Act 2001 (Cth).

View the [Charters of the Nomination and Remuneration Committees](#).

8.2 Structure of Non-Executive Directors' Remuneration

Fees paid to Non-Executive Directors are determined by the Board, within the current maximum aggregate limit set by members of the Company. Current fees and salaries are fully disclosed in the Remuneration Report section of the Directors' Report. Directors' fees are reviewed annually by the Nomination and Remuneration Committee, and by the Board, taking into consideration the level of fees paid to Non-Executive Directors by companies of a similar size and stature.

Non-Executive Directors receive their fees in cash. The Non-Executive Directors do not participate in schemes designed for the remuneration of Executives, but may receive options or rights. The gross fee received by Non-Executive Directors is inclusive of any contribution that the Company is obliged to pay pursuant to the superannuation guarantee legislation. There are no retirement schemes or retirement benefits for Non-Executive Directors, other than statutory benefits for Non-Executive Directors.

8.3 Equity Linked Executive Remuneration

The Company has a policy to preclude its Senior Executives from entering into transactions to limit their economic risk from investing in Company shares, options, or rights, where those entitlements are unvested. The Company makes Senior Executives aware of their obligations in relation to financial commitments against shares issued under the Executive securities plan, and has requested that they take sufficient independent, professional advice in relation to their individual financial position.