

**ASX Corporate Governance Council recommendations (Version 3) Statement
as at 10 June 2014**

Principle / Recommendation	Will Managed Accounts Comply when Listed?
1 Lay solid foundation for management and oversight	
1.1 A listed entity should disclose:	
(a) the respective roles and responsibilities of its board and management; and	Yes - refer to Board Charter on Company web site
(b) those matters expressly reserved to the board and those delegated to management	Yes - refer to Board Charter on Company web site
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	Yes - All current Directors have had police and reference checks. This will be standard practice for any new Directors
(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	Intend to comply when putting forward any new Directors
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Senior Executives comply and director agreements are currently being finalised
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.	Yes - Managed Accounts has appointed a new Company Secretary on this basis
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;	The Company is working to establish a Diversity Policy in which the board aims to establish measurable objectives for achieving gender diversity. However, given the Company's size and stage of development, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate.
(b) disclose that policy or a summary of it; and	Will comply when policy is completed
(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:	Will comply when policy is completed
(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	Will comply when policy is completed
(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.	N/A
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	Yes - See the Board Performance Evaluation Policy on the Company website
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Intend to comply
1.7 A listed entity should:	
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and	Yes - The Company signs all employees to its HR Policy - Handbook which outlines the company's Performance management approach. This includes setting KPIs aligned to the annual business plan and performance reviews commencing in April of each year.
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Intend to comply

2 Structure the board to add value

2.1 The board of a listed entity should:	
(a) have a nomination committee which:	Yes
(1) has at least three members, a majority of whom are independent directors; and	Non compliant - There are currently only 3 Directors on the Board, so the 2 non executive directors are the members of this committee
(2) is chaired by an independent director and disclose:	Non compliant - currently the Board does not have any non independent (by definition) directors. It is therefore chaired by a non executive director
(3) the charter of the committee;	Yes - refer to the Remuneration and Nomination Committee Charter on the company web site
(4) the members of the committee; and	Colin Scully (Chair) and Paul Collins
(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	Intend to comply
(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.	N/A
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.	Non Compliant - as this is a recent change to the guidelines, the Board will aim to create a matrix over the coming months
2.3 A listed entity should disclose:	
(a) the names of the directors considered by the board to be independent directors;	As currently comprised, the Board has two non-executive Directors in the form of Mr Colin Scully and Mr Paul Collins. Both Mr Scully and Mr Collins' independence is technically compromised by their standing as a significant shareholder of the Company. Accordingly, the Company does not comply with ASX Principle 2.3.
(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (of the guidelines) 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	However, in light of the relevant quantitative and qualitative considerations, the Board considers both Mr Scully and Mr Collins to be operating with independence and objectivity, notwithstanding their shareholding in the Company. The independence of the Board is subject to continual evaluation. Ultimately, however, the Board accepts that its members remain in office upon the vote of the Company's shareholders and that they may elect members to the Board regardless of their standing, independent or otherwise.
(c) the length of service of each director	Managed Accounts Holdings (previously Investment Administration Services Holdings) - Don Sharp (1 year), Colin Scully (4.8 years) and Paul Collins (6.8 years)
2.4 A majority of the board of a listed entity should be independent directors.	Non compliant - see 2.3(a)

The Board considers an independent Director to be a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that director's judgment.

Each of the Directors are substantial shareholders in the company. Technically, a substantial shareholder cannot be considered as independent. As such, the composition of Company's Board is not in line with the recommendations of the ASX Corporate Governance Council in that it has a majority of Independent Directors.

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.

For the reasons outlined above, the Company does not comply with ASX Principle 2.4 – The chair should be an independent Director. It does comply by virtue of the fact the chair is not the same person as the CEO.

Nevertheless, the Board remains of the view that its independence as a whole is not compromised and that it is in the best interests of the Company for Mr Sharp to continue as Executive Chairman given his wealth of experience. Additionally, the Board derives comfort from the ability of the Directors to seek independent professional advice which is made available at the expense of the Company

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.

Non Compliant - as this is a recent change to the guidelines, the Board will aim to formalise an induction and development program over the coming months

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

Yes - refer to the Code of Conduct available on the company web site

(b) disclose that code or a summary of it

4 Safeguard integrity in corporate reporting

4.1 The board of a listed entity should:

(a) have an audit committee which:

Yes

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

Non compliant - There are currently only 3 Directors on the Board, so all 3 directors are the members of this committee

(2) is chaired by an independent director, who is not the chair of the board,

Non compliant - currently the Board does not have any non independent (by definition) directors. It is therefore chaired by a non executive director

and disclose:

(3) the charter of the committee;

Yes - refer to the Audit and Risk Committee charter available on the company web site

(4) the relevant qualifications and experience of the members of the committee; and

Paul Collins - Chair, Collins Scully and Don Sharp. Refer to the Company web site for backgrounds and qualifications

(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

Will disclose in Annual Reports

(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

N/A

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.	Yes
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.	Yes
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	Yes
	(b) disclose that policy or a summary of it	Yes - refer to the Continuous Disclosure Policy available on the company web site
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.	Yes. See www.managedaccounts.com.au
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Managed Accounts, being a relatively small listed company will attempt to actively engage with security holders at the AGM, meeting with them upon request and responding to any enquiries they may make from time to time. The Board does however commit to implementing a formal investor relations program in the near future.
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.	Not compliant as yet due to the recent changes to these recommendations. The company will develop a policy before the 2014 AGM.
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.	Yes. The Company's registry service actively encourages, and provides the individual security holder the capability to request electronic communication.
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:	Yes
	(1) has at least three members, a majority of whom are independent directors; and	Non compliant - There are currently only 3 Directors on the Board, so the one of the non executive directors chairs the committee and the executive chair sits on the committee
	(2) is chaired by an independent director,	Non compliant - There are currently no independent (by definition) Directors on the Board, so the one of the non executive directors chairs the committee
	and disclose:	
	(3) the charter of the committee;	Yes - refer to the Risk Management Policy available on the company web site
	(4) the members of the committee; and	Paul Collins - Chair and Don Sharp
	(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	Will disclose in Annual Reports
	(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.	N/A
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	Yes
	(b) disclose, in relation to each reporting period, whether such a review has taken place.	Will disclose in Annual Reports

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	Non compliant - due to the relatively small size of the company at present
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.	The company has a robust set of documented processes and procedures. These form the basis of a GS007 Management Control Report which is refined on an annual basis and used by the external auditors to audit compliance with ASIC Class order requirements. An Executive Risk Management Committee meets weekly and reports monthly to the Board Risk Committee
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	Partial compliance - due to recent changes to these guidelines the company will review the risk matrix of the Risk Management Policy to incorporate any environmental and social sustainability risks
8 Remunerate fairly and responsibly	
8.1 The board of a listed entity should:	
(a) have a remuneration committee which:	Yes
(1) has at least three members, a majority of whom are independent directors; and	Non compliant - There are currently only 3 Directors on the Board, so the 2 non executive directors are the members of this committee
(2) is chaired by an independent director, and disclose:	Non compliant - currently the Board does not have any non independent (by definition) directors. It is therefore chaired by a non executive director
(3) the charter of the committee;	Yes - Refer to the Remuneration and Nomination policy on the company web site
(4) the members of the committee; and	Colin Scully - Chair and Paul Collins
(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	Will disclose in Annual Reports
(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.	N/A
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.	As disclosed in the recent company prospectus. Will be disclosed in future annual reports
8.3 A listed entity which has an equity-based remuneration scheme should:	N/A
(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	N/A
(b) disclose that policy or a summary of it.	N/A