QV EQUITIES LIMITED

ACN 169 154 858

(Company)

Corporate Governance Statement

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

The Board of the Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at www.qvequities.com.

	PRINCIPLES AND RECOMMENDATIONS	COMPLY (Yes/No)	EXPLANATION
1.	**Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	The Board's responsibilities are defined under the Board Charter, a copy of which is available on the Company's website at www.qvequities.com. There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon other officers of the Company.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Yes	Under the Board Charter, the Board, with the advice and assistance of the Nomination and Corporate Governance Committee, is responsible for reviewing and approving the performance of individual Board members and senior executives as well as any policies concerned with the remuneration of any employee (if any).

1.3	Companies should provide the information required to be disclosed under Principle 1.	Yes	The Board will ensure that an evaluation of individual Board members and senior executives is undertaken in accordance with the Board Charter in future years. The Company will provide details as to its compliance with these recommendations in its future annual reports. A copy of the Board Charter is available on the Company's website at www.qvequities.com.
2.	**Structure the board to add value**		
2.1	A majority of the board should be independent directors.	Yes	The Board Charter provides that the Board should consist of a majority of independent directors. The majority of the Company's current Board are independent directors. Currently the company has five directors (and an alternate director), three of which are considered independent for ASX purposes. The Company considers that a Director is an independent director where that Director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company. The Board Charter also provides that the Board should regularly assess whether each non-executive director is independent. The Company has also assessed the independence of its Directors having regard to the requirements for independence set out under this ASX principle.

2.2	The chair should be an independent director.	Yes	The chairman of the Board is Donald Stammer. Mr Stammer is considered an independent director for ASX purposes.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes	The roles of chairman and chief executive officer are not exercised by the same individual. The role of chairman is held by Donald Stammer. The role of chief executive officer is held by Graham Hook.
2.4	The board should establish a nomination committee.	Yes	The Board has established a Nomination and Corporate Governance Committee which consists only of non-executive directors and a majority of independent directors to oversee the selection and appointment practices of the Company. The members of the Nomination and Corporate Governance Committee are John McBain (Chair), Anthony Peter Patrick McKillop and Donald Stammer. John McBain, Anthony Peter Patrick McKillop and Donald Stammer are all considered independent directors for ASX purposes.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	As the Company is still in an early stage of development, it has not yet undertaken a formal review of the Board's performance. However, the Board Charter provides for an annual self-assessment of the Board's performance and for the Nomination and Corporate Governance Committee to review the performance of the Board.
2.6	Companies should provide the information required to be disclosed under Principle 2.	Yes	The Company will provide details as to its compliance with these recommendations in its future annual reports. A copy of the Nomination and Corporate Governance Committee

			Charter is available on the Company's website at www.qvequities.com.
3	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity; • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes	The Company has adopted a Code of Business Conduct and Ethics which applies to all directors, officers and employees (if any) of the Company as well as a Securities Trading Policy. Each of these has been prepared having regard to the ASX Corporate Governance Principles and is available on the Company's website at www.qvequities.com.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include a requirement for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Yes	The Company has adopted a Diversity Policy. A copy of the Diversity Policy is available on the Company's website at www.qvequities.com. The Company's Diversity Policy includes requirements for the Board to establish measurable objectives to assist the Company in achieving diversity and to enable the Company to review its progress in meeting these objectives and the effectiveness of these objectives each year.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports.

3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation in senior executive positions and women on the board.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports.
3.5	Companies should provide the information indicated in the Guide to Reporting on Principle 3.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports. As detailed above, the Company's Code of Business Conduct and Ethics, Securities Trading Policy and Diversity Policy are available on the Company's website at www.qvequities.com.
4	**Safeguard integrity in financial reporting**		
4.1	The board should establish an audit committee.	Yes	The Company has established an Audit Committee to oversee the accounting and financial reporting process and auditing of financial statements.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the board; and • has at least three members.	Yes	The Company has established an Audit Committee which consists of only independent, non-executive directors to oversee the management of financial and internal risks. The members of the Audit Committee are Anthony Peter Patrick McKillop (Chair), Donald Stammer and John McBain. Anthony Peter Patrick McKillop is not the chair of the Board, that role is fulfilled by Donald Stammer (see above).
4.3	The audit committee should have a formal charter.	Yes	The Audit Committee has adopted a formal charter. A copy of the Audit Committee Charter is available on the Company's website at www.qvequities.com.

4.4	Companies should provide the information required to be disclosed under Principle 4.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports.
5	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes	The Company is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations. The Company has adopted a written policy to ensure compliance with its ASX Listing Rule disclosure obligations. A copy of the Company's Continuous Disclosure Policy is available on its website at www.qvequities.com. The Company has appointed the Chief Executive Officer and Company Secretary as reporting officers and the Company Secretary as the ASX liaison officer. However, the Board retains ultimate responsibility for compliance with the Company's continuous disclosure obligations.
5.2	Companies should provide the information required to be disclosed under Principle 5.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports. A copy of the Company's Continuous Disclosure Policy is available on its website at www.qvequities.com.
6	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting	Yes	The Company has adopted a Shareholder Communications Policy for

	effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.		Shareholders wishing to communicate with the Board, a copy of which is available on the Company's website at www.qvequities.com. The Company seeks to utilise numerous modes of communication, including electronic communication to ensure that its communication with Shareholders is frequent and done with ease. All Shareholders are invited to attend the Company's annual meetings either in person or by representative. Shareholders will have the opportunity to submit questions to the Board and auditors, as the Board has indicated the external auditor will be present at annual meetings.
6.2	Companies should provide the information required to be disclosed under Principle 6.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports. A copy of the Shareholder Communications Policy is available on the Company's website at www.qvequities.com.
7	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	In conjunction with the Company's other corporate governance policies, the Company has adopted a Risk Management Policy which is designed to assist the Company identify, assess, monitor and manage its risk, including any material changes to its risk profile. A copy of the Company's Risk Management policy is available on the Company's website at www.qvequities.com.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's	Yes	The Board has conferred responsibility on management to develop and maintain a risk management program and internal control systems

	material business risk and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.		which identify material risks in light of the day to day needs of the Company. In addition to the above, the Board has established two standing committees to provide focused support in key areas. The Risk Management Policy provides for regular reporting to the Board which supplements the Company's quality system, complaint handling processes and standard operating procedures which are all designed to address various forms of risks.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.	No	As the Company was only incorporated on 17 April 2014, the Company has not been required to prepare any financial statements to date. The Company will provide details as to its compliance with this recommendation in its future annual reports.
7.4	Companies are to provide the information required to be disclosed under Principle 7.	Yes	The Company will provide details as to its compliance with this recommendation in its future annual reports. A copy of the Risk Management Policy is available on the Company's website at www.qvequities.com.
8	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee.	No	The Company has not established a remuneration committee as currently it has no paid employees. The Board will ensure that it performs the functions recommended in the ASX Corporate Governance Principles to be performed by a remuneration committee (to the extent that these functions are relevant to the Company's

			business). The Company will provide disclosure of its Directors' and executives' remuneration (to the extent that they are remunerated by the Company) in its annual report.
8.2	The remuneration committee should be structured so that it: - consists of a majority of independent directors; - is chaired by an independent chair; and - has at least three members.	No	As set out above, the Company has not established a remuneration committee to date, however in the event that the Company hires a number of employees in the future, it will look to establish a remuneration committee to perform the functions recommended in the ASX Corporate Governance Principles.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Yes	In the absence of a remuneration committee for the Company, the Board will be responsible for evaluating the performance of the Company's executive directors, Chief Executive Officer and Company Secretary and any executives or employees which are hired by the Company in the future. Directors are entitled to receive Directors' fees of up to $100,000 per annum to be shared among the Directors. Additional remuneration may be paid in accordance with the Company's Constitution. Graham Hook, the Executive Director and Chief Executive Officer of the Company and the General Manager of Investors Mutual Limited (the Manager of the Company), is remunerated by the Manager and it is not intended, as at the date of providing this Corporate Governance Statement, that he will receive Directors' fees or any other form of remuneration from the Company for his services.

			Anton Tagliaferro, the Executive Director of the Company and a director and Chief Investment Manager of the Manager, is remunerated by the Manager and it is not intended, as at the date of providing this Corporate Governance Statement, that he will receive Directors' fees or any other form of remuneration from the Company for his services. Simon Conn, an Alternate Director of the Company for Anton Tagliaferro and a Portfolio Manager of the Manager, is remunerated by the Manager and it is not intended, as at the date of providing this Corporate Governance Statement, that he will receive Directors' fees or any other form of remuneration from the Company for his services.
8.4	Companies are to provide the information indicated in the Guide to Reporting on Principle 8.	Yes	The Company will provide disclosure of its Directors' and executives' remuneration (to the extent that they are remunerated by the Company) including details as to its compliance with this recommendation in its future annual reports.