

Corporate Governance Statement

As an ASX-listed company, Watermark Market Neutral Fund Ltd (“**Watermark MNF**”) and its directors are committed to responsible and transparent financial and business practices to protect and advance shareholders’ interests. The Company’s strong corporate governance practices are based on the ASX Corporate Governance Principles and Recommendations.

The Board has adopted these ASX principles and recommendations which are complemented by the Company’s core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in Watermark MNF’s Corporate Governance section <http://wffunds.com.au/fund/watermark-market-neutral-fund-ltd/547-2/>.

This corporate governance statement aims to disclose in summary form as clearly as possible Watermark MNF’s corporate governance policies and practices so that they can be readily understood by our shareholders and other stakeholders.

This corporate governance statement relates to the 2016 financial year and accompanies Watermark MNF’s 2016 Annual Report. This corporate governance statement is dated 8 August 2016 and is approved by the Board.

Watermark MNF complies with the ASX Corporate Governance Council Principles and Recommendations (3rd Edition March 2014) unless otherwise stated. The ASX Corporate Governance Council (ASX CGC) has issued eight principles and as part of these principles, made 30 recommendations. Each is discussed below:

Principle 1: Lay solid foundations for management and oversight

Role of the Board and Management

The Board is responsible for monitoring of the overall operation, managing contracts with Managers, strategic direction, leadership and integrity of the Company and in particular, is responsible for monitoring Company’s growth and profitability.

The Company’s operations are conducted through Watermark Funds Management Pty Limited (Investment Manager) and White Outsourcing Pty Limited (Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who undertake the Company’s executive operations. The Company has contracted with Watermark Funds Management Pty Limited and White Outsourcing Pty Limited to provide all investment management and administration services.

The Company’s executive management arrangements have been structured to provide investors with a cost efficient investment vehicle and access to a significant depth of professional resources.

Further details of the Board’s role and responsibilities are contained in the Board Charter which is posted on the Company’s website (<http://wffunds.com.au/fund/watermark-market-neutral-fund-ltd/>).

Candidates for election or re-election as a director

Recommendation 1.2 requires a listed entity to undertake appropriate checks before appointing a person or putting forward a candidate for election as a Director. Following the 2014 AGM all appropriate checks will be undertaken by the entity for new and re-elected candidates. In addition, the Board will continue to provide security holders with all material information in its possession relevant to any decision to elect or re-elect a Director by inclusion in any Notice of Meeting.

Written agreements with directors

The Company complies with Recommendation 1.3 having signed letters of appointment for current Directors setting out the terms of their appointment.

Company Secretary

Mr Matthew McShane is appointed Company Secretary. In accordance with Recommendation 1.4 he is directly accountable to all Board members, facilitates all Board meetings and papers, acts in an advisory manner for governance matters and contactable via White Outsourcing Pty Limited.

Principle 1: Lay solid foundations for management and oversight (continued)

Diversity Policy

The Company does not employ staff directly, therefore, the Board do not consider a diversity policy incorporating gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity is relevant. The Board recognises that diversity of gender and background are two important criteria and take these into account in developing Board succession plans and appointment. However, other selection criteria, in particular business acumen and industry experience, are also fundamentally important. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background. Given the Company has no employees, consideration of diversity does not extend beyond the Board and further disclosures in relation to policies are not considered relevant. The Company considers the impact of size in the practical implementation of its diversity policy, and accordingly does not believe it would be practical to set measurable objectives to achieve diversity.

Performance evaluation of the Board, Directors and External Management

In order for a specific opportunity for performance matters to be discussed with each Director, each year the Chairman of the Board conducts a formal review process. The Chairman meets with each Director individually to discuss issues including performance and discusses with each Director the effectiveness of the Board as a whole, its Committees, individual Directors and the Chairman with the intention of providing mutual feedback. The Chairman reports on the general outcome of the meetings to the Board annually. Directors whose performance is unsatisfactory are asked to retire. In respect of the current financial year all assessments under this process have taken place in accordance with the process disclosed. Individual directors are subject to continuous review by the Chairman. The Chair of the Audit Committee is responsible for review of the Chairman on an annual basis and reporting to the full Board.

In addition, the performance of service providers (Watermark Funds Management Pty Limited and White Outsourcing Pty Limited) is the subject of continuous oversight by the Chairman and the Board as a whole. A performance review of service providers was conducted for the Board.

Recommendation 1.7 requires the disclosure of the process for evaluating the performance of senior executives. The Company does not comply with this recommendation as there are no senior executive officers of the Company.

Principle 2: Structure the Board to add value

Composition of the Watermark MNF Board

The names of the directors of the Company in office at the date of this statement are set out in the Directors' Report on page 9.

The skills, experience and expertise relevant to the position of each director in office at the date of the Annual Report is included in the Directors' Report on page 9.

Board skills matrix

The Board seeks to ensure as a minimum the Board's skills matrix includes:

- (a) Each Director must be capable of making a valuable contribution to the effective and prudential operation of the Company and Board deliberations and processes;
- (b) Directors must collectively have the necessary skills, knowledge and experience to understand the risks of the Company, including its legal and prudential obligations and to ensure that the Company is managed in an appropriate way taking into account these risks;
- (c) All Directors must be able to read and understand fundamental financial statements and if required, may seek guidance from an independent professional advisor who is appropriately qualified in the area of finance and accounting.

Principle 2: Structure the Board to add value (continued)

The Board believes it has adequate representation of the necessary skills and requirements noted above.

The Directors possess a range of skills. Every Director has had considerable exposure to current corporate governance practices and all Directors possess significant financial acumen.

The following table summarises the key skills and experience of the Directors:

Skills and experience	No. of Directors
Financial acumen	5
Expert experience in portfolio management	5
General management exposure to domestic and international operations	5
Experience as a non-executive director of at least one other listed entity	5
Held CEO of similar position in a non-financial organisation	2

The Board currently comprises of 5 Directors of which (4) are Independent and (1) is Non-independent.

Length of service

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
M. Kidman	3 years
J. Braithling	3 years
J. Abernethy	3 years
S. Van Eyk	3 years
R. Ferguson	3 years

On an annual basis and in accordance with the company's Constitution, the number nearest to one third of Directors are required to retire by rotation and being eligible, stand for re-election.

Nomination Committee

Recommendation 2.1 states the Board should establish a Nomination Committee. Due to the size of the Company it has not established a formal Nomination Committee and the functions of the Nomination Committee are undertaken by a full Board. The Board's target is to ensure that (as a minimum) directors collectively have investment accounting, general business experience and shareholder representation.

Independence

In accordance with the definition of independence above, and the materiality thresholds set, the following directors, are considered to be independent:

Name	Position
Matthew Kidman	Chairman
John Abernethy	Independent Director
Stephen Van Eyk	Independent Director
Robert Ferguson	Independent Director

Justin Braithling is not considered an independent director and will excuse himself from any decision the Board makes with respect to the relationship between the Company and the Investment Manager.

Principle 2: Structure the Board to add value (continued)

An independent director is considered to be a director:

- (a) who is not a member of management;
- (b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- (c) who is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (d) who is not a significant supplier to the Company;
- (e) who has no material contractual relationship with the Company other than as a director;
- (f) who is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company; and
- (g) has been a director of the entity for such a period of time that their independence may have been compromised.

In the context of director independence, "materiality" is considered from both the company and individual director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company's loyalty.

In addition the term of office of a Director is considered, particularly where the Directors tenure is greater than ten years. However, tenure alone is not considered by the Board to impair independence where Directors are not associated with the Investment Manager or its related entities.

Recommendation 2.4 requires that "A majority of the Board should be independent directors". The Company complies with this recommendation as the Board is 80% independent.

Recommendation 2.5 requires that "The Chair should be an independent director". The Company complies with this recommendation.

Recommendation 2.5 requires that "the roles of the Chair and Chief Executive Officer of the Company should not be exercised by the same individual". The Company does not comply with this recommendation as there is no Chief Executive Officer of the Company.

Induction and professional development

Recommendation 2.6 states the listed entity should have a program for inducing new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively. Due to the small size of the Board an induction program or formal professional development program is not considered necessary for new and existing directors, The Chairman is best suited to address any queries a new Director may present on induction to the Board. Directors are expected to maintain their industry knowledge, however, can also enquire of the Investment Manager, Administration Manager and External Auditors as is necessary should technical queries arise.

Further, each director has the right of access to all relevant Company information subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of advice received by the director is made available to all other members of the Board.

The Board will hold four scheduled meetings each year plus any other strategic meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman and the Company Secretary. Standing items include matters of compliance and reporting, financials, shareholder communications and investment strategy and outcomes. Submissions are circulated in advance.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Board expects all non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All non-executive directors must comply with the Company's Code of Conduct and Ethics. The directors in acting professionally in their conduct means that they will act with high standards of honesty, integrity and fairness, avoiding conflicts of interest, acting lawfully and ensuring confidential information is dealt with in accordance with the Company's Privacy Policy.

The Board monitors its outsourced service provider's compliance with the Company's Code of Conduct and Ethics, which is accessible to outside parties via the Company's website.

Securities Trading Policy

Directors are not required to hold a minimum number of shares in the Company.

Subject to them not being in possession of undisclosed price sensitive information with adequate time being given for this to be reflected in the security's price, Directors may deal in shares of the Company at any time. As Watermark Market Neutral Fund Limited is an investment company reporting results monthly, the Board believes the shareholders are generally fully informed. Full details of the Company's Trading and Insider Trading policies can be found in the Corporate Governance policies located on the Company's corporate website.

Principle 4: Safeguard integrity in financial reporting

Audit & Risk Committee

The Company has an Audit Committee with a documented Charter, approved by the Board. All members must be non-executive directors and the majority must be independent directors. The Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting, risk management and any other matters at the request of the Board. The Audit Committee will meet at least two times per year.

The Audit Committee may have in attendance at their meeting such members of management as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

The members of the Audit Committee during the year were:

- John Abernethy (Chairman)
- Robert Ferguson
- Stephen Van Eyk

The responsibilities of the Audit Committee are to ensure that:

- (1) Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
- (2) External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- (3) Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
- (4) The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
 - a) reviewing the terms of engagement, scope and auditor's independence;
 - b) recommendations as to the appointment, removal and remuneration of an auditor; and
 - c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence.
- (5) Review the company's risk profile and assess the operation of the company's internal control system (via an annual risk management review).
- (6) Watermark Funds Management Pty Limited (Investment Manager) and White Outsourcing Pty Limited (Administration Manager) are required to table their half-yearly compliance sign off's at each audit committee meeting held prior to the Board meeting at which annual and half year accounts are signed.

Principle 4: Safeguard integrity in financial reporting (continued)

The Audit Committee also makes recommendations on the entity's insurance program having regard to the entity's business and the insurable risks associated with its business. In respect of the current financial year no additional recommendations were made to the Board regarding the entity's insurance.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to page 16 of the Directors' Report.

Financial Statements Declaration

It is a requirement of the Board that White Outsourcing Pty Limited sign-off on the content of the financial statements, and that in their opinion, the financial records of the entity have been properly maintained, that the financial statements comply with the appropriate accounting standards and these statements represent a true and fair view of the Company's operations and financial position of the Company.

White Outsourcing Pty Limited provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the *Corporations Act 2001*. In respect of the current financial year all necessary declarations have been submitted to the Board.

In addition, White Outsourcing Pty Limited (accounting and Company Secretarial) confirms in writing to the Board that the declaration provided above is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks and all material business risks have been effectively managed.

External auditor

The Board as a whole monitors the performance of the annual & half-yearly audit performed by the External Auditor. If the Board consider that the external auditor of the Company should be changed, a special resolution will be put to shareholder vote at the following Annual General Meeting. External audit engagement partners are required by legislation to rotate their appointment every five years. The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

Principle 5: Make timely and balanced disclosures

The Company will operate under the continuous disclosure requirements of the ASX Listing Rules as set out in its Disclosure Policy. The Company will ensure compliance with this Charter and will disclose:

- price sensitive information to the ASX as soon as it becomes aware of that information;
- ensure that the information is not false, misleading or deceptive so as to avoid creating what would constitute a false market; and
- ensure that the information is disclosed clearly (expressed objectively), accurately and is complete.

In doing so the Company will ensure compliance with Listing Rule 15.7 that requires an entity not to release information to anyone until it has given the information to the ASX and has received an acknowledgement from the ASX that the information has been released to the market. The Company Secretary is responsible for ensuring Watermark Market Neutral Fund Limited complies with its continuous disclosure obligations.

All staff of the Investment Manager and the Administration Manager are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately they become aware of it. The Company Secretary in conjunction with the Chairman of directors will decide whether the information should be disclosed to the ASX. Where possible, all continuous disclosure releases to the ASX are approved by the Board. The monthly net asset backing per share is prepared and approved by the Administration Manager and reviewed by the Chairman. Where time does not permit approval by the Board, the Chairman of directors must approve the release.

All ASX releases are available on the Company's website via a direct link to the ASX website refer www.wfunds.com.au/fund/watermark-market-neutral-fund-ltd/.

Principle 5: Make timely and balanced disclosures (continued)

The Company has also adopted the following policies which can be located in the Company's Corporate Governance policy document:

- No comments policy
- Responding to analysts reports and forecasts
- Trading halts
- Advisors
- Contravention of policy

Principle 6: Respect the rights of shareholders

Communications with Shareholders

The Company seeks to keep its shareholders fully informed on all matters that affect their investment.

Watermark MNFs' internet website can be accessed at www.wfunds.com.au. The objective of the website is to provide shareholders and potential investors with information that will assist them to assess the Company's performance as well as general information about the Company and its governance.

All announcements to the ASX are available from the website via a direct link to the ASX website. These include:

- Release of preliminary gross performance at the beginning of each month;
- Monthly Net Asset Backing per share;
- Quarterly, Half year and Annual reports (released at approximately three month intervals)
- Notice of Annual General Meeting and Explanatory Memorandum; and
- The Chairman's Address to the Annual General Meeting.

In addition;

- Half-yearly investor updates are generally held each year,
- Quarterly reports will be sent via email to shareholders who register their interest and by surface mail to all other shareholders; and
- A hard copy Annual Report will be mailed to shareholders at the close of the financial year, where requested.

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and are able to receive the annual and interim financial statements if requested. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Watermark Market Neutral Fund Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Shareholders queries outside of the Annual General Meeting are welcomed by the Company via telephone on (02) 9252 0225 or via email on info@wfunds.com.au. Any shareholding related enquiries should be directed to the Share Registrar, Boardroom Pty Limited on (02) 9290 9600 or via email on enquiries@boardroomlimited.com.au.

Watermark MNF has policies and procedures in place to facilitate and encourage participation at shareholder meetings. Watermark MNF considers shareholder meetings, particularly the AGM, as an important forum for two-way communication between the Company and the shareholders. All shareholders have the opportunity to provide questions or comments ahead of the AGM. Where appropriate, these are read out at the AGM and then responded to at the AGM or a transcript of the question and written answer is provided at the AGM. This provides an opportunity for shareholders who are not able to attend the AGM, the opportunity to exercise their right to ask questions about, or make comments on, the management of Watermark MNF.

Principle 7: Recognise and manage risk

Risk Management Framework

The Board is responsible for ensuring the existence of an efficient and effective system of internal control. It is also responsible for ensuring that risks, and opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

Principle 7: Recognise and manage risk (continued)

Audit and Risk Committee

The Board has delegated the role of reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee;

- (a) requires the Administration Manager to report on the operation of internal controls, and for the investment manager to report on compliance with the board approved investment process on a half yearly basis;
- (b) reviews the external audit of internal controls and liaises with the external auditor on an annual basis;
- (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system; and
- (d) makes recommendations on the entity's insurance program, having regard to the entity's business and the insurable risks associated with its business.

In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board identifies the following economic sustainability¹ risks as having the potential to significantly or materially impact the Company's performance (a) administrative risks including operational, compliance and financial reporting (b) market related risks.

a. Administrative risks

The Board is primarily responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting. The Company has outsourced its administrative functions to service providers accordingly risk issues associated with these activities are handled in accordance with the service providers policies and procedures. The Board review, on an annual basis, the procedures and policies of outsourced service providers via direct discussion with the board and/or review of audit reports on their policies and procedures as well as obtaining certificates of currency of insurance cover which each service provider has in place."

The Administrator provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001. In respect of the current financial year all necessary declarations have been submitted to the Board. In addition the administrator will confirm half-yearly in writing to the Board that the declaration provided above is founded on a sound system of risk management and internal control and the system is operating effectively in all material respects in relation to financial reporting risks.

Both the Administrator and Watermark Funds Management Pty Limited are required to be audited on Internal Controls and required to submit a copy of their reports to the Audit Committee to confirm Compliance with the requirements of Australian Standard on Assurance Engagement ASAE3402 and the Auditing and Assurance Standards Board GS007.

Any deficiencies identified in internal control policies or the financial affairs of the Company by the external auditor are tabled for discussion at Audit Committee meetings.

In accordance with section 295A of the Corporations Act 2001, the Administration Manager will confirm half-yearly in writing to the Board that in all material respects:

- The financial records of the company have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- The financial statements and notes comply with the Accounting Standards; and
- The financial statements and notes give a true and fair view.

¹ The term "economic sustainability risks" is defined as the ability of a listed entity to continue operating at a particular level of economic production over the long term (ASX Corporate Governance Principles and Recommendations 3rd Edition, ASX Corporate Governance Council).

Principle 7: Recognise and manage risk (continued)

In addition, the Administration Manager will confirm half-yearly in writing to the Board that the declaration provided above:

- is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks; and
- all material business risks have been effectively managed.

b. *Market related risks*

The Company seeks to reduce investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. Watermark Funds Management Pty Limited (Investment Manager) is required to act in accordance with the Board approved investment management agreement and reports to the Board quarterly on the portfolio's performance, material actions of the Investment Manager during that quarter and an explanation of the Investment Manager's material proposed actions for the upcoming quarter.

In addition, Watermark Funds Management Pty Limited is required to report half-yearly that it has invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect of the current financial year all necessary declarations have been submitted to the Board. In assessing the Company's risk tolerance level the Board considers any instance which materially affects the Company's monthly Net Tangible Asset backing announcement released to the ASX.

The Investment Manager monitors its compliance with respect to all relevant regulatory requirements. These compliance procedures are documented and are subject to regular monitoring and an independent auditor's opinion at financial year end. The Independent auditor's opinion at financial year end is provided to Watermark Market Neutral Fund when completed. Changes to the Investment Manager's compliance procedures are notified to Watermark Market Neutral Fund's Board and remedial action is taken to effect changes, if necessary in procedures and practices of Watermark Market Neutral Fund.

The Audit Committee and the Board perform a risk review on an annual basis to ensure that adequate controls are in place to mitigate risk associated with investment manager performance, market risk, fraud, transaction reporting errors, material reporting risks and compliance risk. In relation to the current reporting period ended all reviews have taken place. These reviews are scheduled to be undertaken during May each year.

Further details on market related risks are located in Note 3(a) Financial Risk Management note to the Financial Statements in the Company's latest Annual Report.

Internal Audit

The Company does not have a designated internal audit function. The Audit Committee is responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes. The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

Environmental and Social Sustainability Risks

As a Listed Investment Company ("LIC"), the Company has no direct material exposure to environmental or social sustainability risks. There is potential for indirect material exposure to environmental, social and economic sustainability risks through the entities in which the Company invests. Overall risk within the investment portfolio is part of the Company's investment process and is reviewed regularly by the Investment Manager. The Company does not consider it has any material exposure to environmental or social sustainability risks under Recommendation 7.4.

Principle 8: Remunerate fairly and responsibly

Remuneration Committee

ASX Recommendation 8.1 states the Board should establish a Remuneration Committee. The Board does not have and does not intend to establish such a committee because the formation of such a committee would be inefficient given the Company's size and nature. It would not serve to protect or enhance the interest of shareholders. The Board will deal with this issue as a whole. Should the size of the Company change the Company will consider establishing a separate remuneration committee. The Board reviews the Remuneration Report to be included in the Annual Report to shareholders each year.

Directors' base fees are set at a maximum of \$180,000 per annum. Non-Executive Directors do not receive bonuses nor are they issued options on securities and are remunerated by way of director fees and superannuation contributions. Directors' fees cover all main board activities and membership of committees.

Under the ASX Listing Rules, the maximum fees paid to non-executive Directors may not be increased without approval from the Company at a general meeting. Directors will seek approval from time to time as appropriate.

Remuneration Policies and Practices

Recommendation 8.2 states that the Company should "clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives". The Company does comply with this recommendation as detailed in the Remuneration report on page 16. Justin Braitling is considered an Executive Director on the basis that he is a director and a shareholder of Watermark Fund Management Pty Limited and due to his role of an investment manager in that entity, is integrally involved in the operation of the Company.

The Company does not comply with Recommendation 8.3 as it does not have an equity-based remuneration scheme.

External Management

Principle 8 provides alternatives to Recommendations 8.1, 8.2 and 8.3 for externally managed entities should disclose a summary of any management agreement terms relating to management fees or the equivalent, including performance fees. While the Company is not strictly an externally managed entity per the Recommendations definition which refers to having a Responsible Entity, the Company has provided details of the remuneration of the Investment Manager in note 21(b) Transactions with other related parties