

Corporate Governance Statement

Microequities Asset Management Group Limited
ACN 110 777 056

This Corporate Governance Statement of Microequities Asset Management Group Limited and its subsidiaries (the 'Company' or 'Group') has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations'). This statement has been approved by the company's Board of Directors ('Board') and is current as at 13 August 2020. The company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in either this statement, the company's website, or Annual Report, has been filed with the ASX on 13 August 2020.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

STATEMENT OF CORPORATE GOVERNANCE	
ASX Principles and Recommendations	Explanation
Principle 1: Lay solid foundations for management and oversight	
<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>The Board is ultimately accountable for the performance of the company and provides leadership and sets the strategic objectives of the company. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and share buy-backs, material profit upgrades and downgrades, and significant closures.</p> <p>The Board sets objectives, goals, and strategic direction along with a framework within which management then works. Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought the Boards attention. They must operate within authorisation parameters set by the Board.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>The company undertakes checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director.</p> <p>The company provides relevant information to shareholders for their consideration about the qualifications and experience of candidates together with whether the Board supports the appointment or re-election.</p>
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The terms of the appointment of non-executive directors, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.</p>
<p>Recommendation 1.4</p> <p>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.</p>	<p>The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors.</p>

<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	<p>Microequities has adopted a Diversity Policy which sets out Microequities' commitment to diversity and inclusion in the workplace. Under the Diversity Policy Microequities recognises diversity and commits to not discriminate against individuals on a number of grounds including race, impairment, parental status, religious beliefs, and political beliefs. Under the Diversity Policy the Company states that, as a principle, it will not tolerate discrimination, harassment, vilification, or victimisation in the workplace.</p> <p>The Diversity Policy is available at the company's website.</p> <p>The Board fully supports all kinds of diversity; however, the Board has determined that, for the time being, the policy will not include measurable objectives against which Microequities will report on an annual basis.</p>
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board conducts an introspective annual discussion of its performance on a collective basis to identify general aspects of its performance that could be improved upon, and such analysis includes the roles played by each Board member. Such reviews therefore encapsulate collective discussion around the performance of individual Board members, their participation in discussion during the financial year, and where relevant, how their role could be modified or suggestions for individual development or performance improvement for the future.</p> <p>A performance evaluation discussion was held during the financial year ended June 30, 2020 covering areas such as attendance, preparation for meetings and quality of participation in discussions.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board will conduct an annual performance assessment of the CEO. The CEO undertakes the same assessments of senior executives. In assessing the performance of the individual, the review includes consideration of the senior executive's function.</p> <p>Such a review was conducted during the financial year ended June 30, 2020.</p>

Principle 2: Structure the board to add value	
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(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.</p>	<p>The Board maintains a combined Nomination and Remuneration Committee.</p> <p>Due to the current structure and composition of the Board, the Nomination and Remuneration Committee is not comprised of a majority of independent Directors.</p> <p>The Charter of the Committee is available at the company's website.</p> <p>The members of the Nomination and Remuneration Committee are:</p> <ol style="list-style-type: none"> (1) Leslie Szekely Committee Chairman and Non-Executive Chairman of the Company (2) Alexander Abrahams Independent Non-Executive Director (3) Carlos Gil Executive Director <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.</p>
<p>Recommendation 2.2</p> <p>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.</p>	<p>The Board seeks to ensure that it has the appropriate mix of skills, knowledge, and experience to guide the Company and assist management achieve the strategic objectives set by the Board. The Nomination and Remuneration Committee is responsible for implementing plans for identifying, assessing, and enhancing Director competencies.</p> <p>The Board Skills Matrix is available at the company's website.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <ol style="list-style-type: none"> (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. 	<p>Details of the Board of directors, their appointment date and independence status are as follows:</p> <ol style="list-style-type: none"> (1) Leslie Szekely Non-Executive Chairman. Appointed 31/03/2013 (2) Alexander Abrahams Independent Non-Executive Director. Appointed 12/03/2020 (3) Carlos Gil Executive Director. Appointed 01/09/2004 (4) Samuel Gutman Executive Director. Appointed 05/01/2009 <p>The Board considers a Director to be independent where he or she is not a member of Management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Director in light of interests disclosed to the Board.</p> <p>The Board considers that Alexander Abrahams is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of the Director's unfettered and independent</p>

	judgement and is able to fulfil the role of independent Director.
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Board considers that a board comprising four members with the relevant skills of each member is sufficient for the time being for a company of the size and nature of Microequities. However, due to the current structure and composition of the Board, where only one Director out of four Directors is considered independent, Microequities is unable to fully comply with the Recommendation.</p>
<p>Recommendation 2.5</p> <p>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.</p>	<p>Leslie Szekely is the Non-Executive Chairman of the Board. The Board believes that although Mr Szekely is not considered independent, he is the appropriate person to Chair the Board.</p>
<p>Recommendation 2.6</p> <p>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.</p>	<p>The company does not have in place a formal induction program or professional development program for directors. The CEO, with the assistance of the Company Secretary, is responsible for providing all information considered necessary to an incoming director to enable them to contribute to the business of the company. Directors are responsible for their own development which includes identifying opportunities for them to attend courses or other information sessions to enhance their skills and knowledge.</p>
Principle 3: Act ethically and responsibly	
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The company maintains a code of conduct for its directors, senior executives, and employees. In summary, the code requires that each person act honestly, in good faith and in the best interests of the company; exercise a duty of care; use the powers of office in the best interests of the company and not for personal gain, declare any conflict of interest; safeguard company's assets and information and undertake any action that may jeopardise the reputation of company.</p> <p>That code is available on the company's website.</p>
Principle 4: Safeguard integrity in corporate reporting	
<p>Recommendation 4.1 - The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met 	<p>The Board maintains a combined Audit and Risk Committee.</p> <p>Due to the current structure and composition of the Board, the Audit and Risk Management Committee is not comprised of a majority of independent Directors.</p> <p>The Board maintains a combined Audit and Risk Committee. The members of the Audit and Risk Committee are:</p> <ol style="list-style-type: none"> (1) Alexander Abrahams Committee Chairman and Independent Non-Executive Director (2) Leslie Szekely Non-Executive Director (3) Samuel Gutman Executive Director <p>Details of the relevant qualifications and experience of the members of the committee are available at the company's website</p>

<p>throughout the period and the individual attendances of the members at those meetings; or</p> <p>(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.</p>	<p>The Charter of the Committee is available at the company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.</p>
<p>Recommendation 4.2</p> <p>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.</p>	<p>Before the Board approves financial statements for a financial period, it receives from its CEO and Executive Director 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.</p>
<p>Recommendation 4.3</p> <p>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.</p>	<p>The audit engagement partner is invited to attend the AGM and is available to answer shareholder questions from shareholders relevant to the audit.</p>
<p>Principle 5: Make timely and balanced disclosure</p>	
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Group maintains a written policy that outlines the responsibilities relating to the directors, officers, and employees in complying with the Group's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately in the first instance. The Company Secretary is required to consult with the CEO in relation to matters brought to their attention for potential announcement. Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The Board is required to authorise announcements of significance to the company. No member of the Group shall disclose market sensitive information to any person unless they have received acknowledgement from the ASX that the information has been released to the market.</p>

Principle 6: Respect the rights of security holders	
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Group maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the company's website.</p>
<p>Recommendations 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Group does not have a formal investor relations program. The Board engage with investors at the AGM and respond to shareholder enquiry on an ad hoc basis. Material communications are dispatched to investors either via email, and/or via market announcement.</p> <p>The Shareholder Communication and Participation Policy is available at the company's website.</p>
<p>Recommendations 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>The Board invites and encourages investors to participate at meetings of security holders.</p> <p>The Shareholder Communication and Participation Policy is available at the company's website.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Group engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, www.linkmarketservices.com.au</p>
Principle 7: Recognise and manage risk	
<p>Recommendations 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(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 (7.1).</p>	<p>The Board maintains a combined Audit and Risk Committee.</p> <p>Due to the current structure and composition of the Board, the Audit and Risk Management Committee is not comprised of a majority of independent Directors.</p> <p>The members of the Audit and Risk Committee are:</p> <ol style="list-style-type: none"> (1) Alexander Abrahams Committee Chairman and Independent Non-Executive Director (2) Leslie Szekely Non-Executive Chairman of the Company (3) Samuel Gutman Executive Director <p>The Charter of the Committee is available at the company's website.</p> <p>The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.</p>

<p>Recommendations 7.2 The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Audit and Risk Committee reviews the company’s risk management framework annually to ensure that it is still suitable for the company’s operations and objectives.</p> <p>The Audit and Risk Committee approved and reviewed a Risk Management Framework during the financial year ended 30 June 2020.</p>
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>The Group does not have a dedicated internal audit function. The responsibility for risk management and internal controls lies with the Executive Directors who continually monitor the Group’s internal and external risk environment. Necessary action is taken to protect the integrity of the Group’s books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguard of Group assets.</p>
<p>Recommendation 7.4</p> <p>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.</p>	<p>The management of the Group and the execution of its growth strategies are subject to a number of risks which could adversely affect the company’s future development. Although the Group attempts to mitigate risks via internal controls and safeguards, the occurrence or consequences of some of the risks described below are partially or completely outside the control of Microequities and its Directors and Management.</p>
<p>The following is not an exhaustive list or explanation of all risks and uncertainties associated with the company (and its subsidiaries).</p> <p>(a) Market risk</p> <p>All of Microequities’ funds have their listed investments revalued to market value at the end of each month. Unfavourable movements in financial markets could cause the market value of the Funds’ underlying investments to decline, which would adversely affect Microequities’ management fee revenue, performance fee revenue and potentially investment inflow and outflow patterns. The following are examples of market events that could impact Microequities’ operations:</p> <ul style="list-style-type: none"> • volatility and changes of sentiment in the stock market • changes in official interest rates • government policy including fiscal and monetary policies • local or international economic instability • inflation • currency fluctuations • unemployment • political changes • war and terrorism <p>(b) Reliance on key staff</p> <p>Loss of key staff could result in the performance of the funds deteriorating, which may lead to a loss of clients and an inability to attract new clients. Microequities relies on its ability to attract, train, retain and motivate highly skilled and qualified employees in order to run its business. Microequities, as with any services company, is reliant on the continued services of certain personnel to generate future earnings. There can be no guarantee that key staff will remain committed to Microequities. However, key staff have equity or the rights to equity in the company, creating alignment with shareholders and a long-term focus, as well as being incentivised to remain loyal to the business through long-term incentive arrangements that only vest after a period of time and subject to certain performance hurdles being met. Employees are free to leave Microequities at will, subject to an employment contract with notice of termination.</p>	

(c) Poor investment performance

Negative investment performance directly reduces funds under management (FUM). Similarly, poor investment performance due to Microequities making poor investment decisions (as opposed to changes in market sentiment) could:

- decrease management fee revenue and performance fee revenue earned by Microequities.
- cause investors to withdraw their money, thereby reducing the management fee revenue and performance fee revenue that Microequities earns or could earn.
- due to potential reputational damage, affect the ability of Microequities to attract new FUM, thereby impacting its ability to organically grow its business.

(d) Risk of change to the legislative and regulatory environment

Microequities operates in a highly regulated environment. There is a risk that the legislative and regulatory environment in which Microequities operates may change requiring Microequities to modify the way in which it conducts its business. Examples of such regulatory risk include:

- Microequities manages funds predominately for Wholesale and Sophisticated Investors. If the Corporations Act is amended so as to eliminate the concept of Wholesale and Sophisticated Investors, Microequities would need to substantially modify its operations in order to legally engage with retail investors.
- A significant part of Microequities' client base is SMSF investors. If the regime governing SMSFs was modified such that SMSF investments could only be made in retail funds or funds issued under a product disclosure statement, Microequities would be required to expend significant effort and incur costs in order to continue to service SMSF investors.

(e) AFSL risk

Microequities is required to hold an AFSL in order to undertake its funds management operations. There is a risk that ASIC may impose adverse changes to Microequities' licensing conditions or that Microequities may have its AFSL revoked by ASIC. Any such changes or revocation would require Microequities to modify, potentially significantly, the way in which it conducts its business, which could have a material adverse effect on Microequities financial performance and / or reputation.

(f) Microcap / small cap company risk

Shares in Microcap and small cap companies may trade less frequently and in smaller volumes and may experience greater price volatility than larger companies. In times of heightened market volatility these companies could face an illiquid securities market, thereby limiting the ability of Microequities to disinvest out of positions. Microcap and small cap companies may also have more limited operating histories, markets, product lines or financial resources than larger companies. They may also depend heavily on key staff. These factors may impact the performance of Microequities' Funds, market price for Microequities' Funds and adversely impact FUM.

(g) Competition risk

Within the funds management industry, Microequities is subject to increasing competition from both existing fund managers and new entrants seeking to gain market share from Microequities. In particular, fund managers and listed investment companies focusing on microcap and small cap companies may achieve investment performance superior to Microequities, which may impact on Microequities' ability to successfully retain current clients and to attract new clients.

(h) Unit pricing error

A risk facing any asset manager is incorrectly calculating a unit price in a unit trust of which it is the investment manager. Most unit pricing errors are very small and make little difference to an investor's investment value. However, large errors are possible and may result in Microequities becoming liable to compensate investors for any loss, which would, in turn, lead to reduced earnings.

(i) Litigation risk

Microequities could become subject to litigation in relation to professional negligence, investment losses, product liability claims, claims arising under client contracts or other litigation. Microequities maintains public liability and investment manager's insurance (including professional indemnity and director's and officer' liability insurance). Despite these protections it is possible that claims not covered by insurance may arise which could have an adverse effect on Microequities' financial performance and reputation which would, in turn, lead to reduced

earnings.

(j) Redemption risk

Poor investment performance, negative market sentiment, market volatility and a number of other factors may result in clients redeeming their investments in the funds. In such an event, it may not be possible to liquidate some of the investments at the time that such redemptions are requested, or it may be possible to do so only at prices which do not reflect the true value of such investments, resulting in an adverse effect on the return to investors. In extreme situations, Funds may need to freeze redemptions by investors which could have significant reputational implications.

(k) Third-party risk

Microequities relies on a number of third parties in areas such as brokerage, custody and accounting / taxation. The failure of these parties to provide adequate services would create an operational risk to Microequities. Microequities aims to mitigate against this risk by monitoring the performance of existing service providers on an ongoing basis and remaining aware of alternative service providers.

(l) Counterparty risk

The funds may be subject to loss of assets on deposit with a broker in the event of the broker's inability to secure custody of a fund's assets or its insolvency, the insolvency of any clearing broker through which the broker executes and clears transactions, or the insolvency of an exchange clearing house. A party defaulting on its obligations, whether due to insolvency, bankruptcy or other causes, could subject the funds to substantial losses.

(m) Technology risk

Microequities is reliant on a number of technologies to assist in its daily operations. These vary from internally developed software programs and computer models, communications technologies and third party accounting software. If any technology was unavailable or damaged, then Microequities' operations would be adversely impacted. Microequities seeks to mitigate against this risk by implementing backup facilities and disaster recovery procedures.

(n) Insurance coverage risk

Microequities may be under-insured. It could also be negatively affected by an increase in insurance premiums or an inability to obtain sufficient insurance coverage.

(o) Macro-economic risks

Microequities' business is exposed to changes in general global economic conditions caused by a variety of factors. For example, adverse macroeconomic conditions such as economic recessions, downturns or extended periods of uncertainty or volatility, which may influence the investment decisions of the Group's investors who may defer or cancel proposed investments or seek to redeem their investments.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
- (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director, and disclose:
 - (3) the charter of the committee;
 - (4) the members of the committee; and
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

The Board maintains a combined Nomination and Remuneration Committee.

Due to the current structure and composition of the Board, the Nomination and Remuneration Committee is not comprised of a majority of independent Directors.

The members of the Nomination and Remuneration Committee are:

- (1) Leslie Szekely Committee Chairman and Non-Executive Chairman of the Company
- (2) Alexander Abrahams Independent Non-Executive Director
- (3) Carlos Gil Executive Director

The charter of the committee is available at the company's website.

<p>(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.</p>	<p>The number of committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the directors' report.</p>
<p>Recommendation 8.2</p> <p>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.</p>	<p>The Remuneration Committee oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees.</p> <p>Non-executive directors are remunerated by way of cash fees and superannuation contributions. The level of remuneration reflects the anticipated time commitments and responsibilities of the position. Performance based incentives are not available to non-executive directors. Executive directors and other senior executives are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to long term objectives. Further details in relation to the company's remuneration policies are contained in the remuneration report, within the Directors' report.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it</p>	<p>The use of derivatives or other hedging arrangements for unvested securities of the company or vested securities of the company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the company, this will be disclosed.</p>