

**MICROEQUITIES ASSET MANAGEMENT GROUP LIMITED**  
 ACN 110 777 056  
 (Microequities or Company)

**PRE-QUOTATION STATEMENT REGARDING ASX CORPORATE GOVERNANCE  
 PRINCIPLES AND RECOMMENDATIONS**

As disclosed in section 6.4 of the Microequities' prospectus dated 15 March 2018 (**Prospectus**), Microequities has adopted a number of corporate governance policies and practices, including a Board Charter, Audit and Risk Committee Charter, Nomination and Remuneration Committee Charter, Securities Dealing Policy, Price Sensitive Information Policy, Code of Conduct, Shareholder Communication and Participation Policy and Diversity Policy (**Charters and Policies**), each of which documents the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition (**Recommendations**).

The Recommendations are not mandatory; however, as set out in the Charters and Policies, and in accordance with the further disclosures made in the Prospectus, as at the date of admission of the Company to the official list of ASX, Microequities' will follow the Recommendations in full except to the extent set out in the table below:

<b>Departure from the Recommendations</b>	
<b>Recommendation</b>	<b>Summary of position for Microequities</b>
<p><b>Recommendation 1.5:</b>                      The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b. disclose that policy or a summary of it; and</li> <li>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:                             <ul style="list-style-type: none"> <li>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</li> <li>2. if the entity is a "relevant employer" under the Workplace Gender</li> </ul> </li> </ul>	<p>Microequities has adopted a Diversity Policy as summarised in Section 6.4.5.5 of the Prospectus. 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. Due to the size of the Company, the Board does not consider it appropriate to adopt such measurable objectives or set targets at this time.</p>

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Recommendation	Summary of position for Microequities
<p>Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under the Act.</p>	
<p><b>Recommendation 2.1:</b> The board of a listed entity should:</p> <p>a. have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol> <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>Due to the current structure and composition of the Board, the Nomination and Remuneration Committee is not comprised of a majority of independent directors and so Microequities is unable to fully comply with Recommendation 2.1. Microequities is satisfied that the current composition of committee members is adequate and that non-compliance with Recommendation 2.1 will not be detrimental to Microequities.</p>
<p><b>Recommendation 2.4:</b> The 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 Recommendation 2.4. Microequities is satisfied that the current number of independent directors on the Board will not be detrimental to Microequities.</p>
<p><b>Recommendation 4.1:</b> The board of a listed entity should:</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</p>

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<p>a. have an audit committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director, who is not the chair of the board,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the relevant qualifications and experience of the members of the committee; and</li> <li>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</li> </ol> <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>independent directors and so Microequities is unable to fully comply with Recommendation 4.1. Microequities is satisfied that the current composition of committee members is adequate and that non-compliance with Recommendation 4.1 will not be detrimental to Microequities.</p>
<p><b>Recommendation 7.1:</b> The board of a listed entity should:</p> <ol style="list-style-type: none"> <li>a. have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> </li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol> <p>b. if it does not have a risk committee or committees that satisfy (a) above,</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 and so Microequities is unable to fully comply with Recommendation 7.1. Microequities is satisfied that the current composition of committee members is adequate and that non-compliance with Recommendation 7.1 will not be detrimental to Microequities.</p>

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disclose that fact and the processes it employs for overseeing the entity's risk management framework.	
<p><b>Recommendation 8.1:</b> The board of a listed entity should:</p> <p>a. have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol> <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>Due to the current structure and composition of the Board, the Nomination and Remuneration Committee is not comprised of a majority of independent directors and so Microequities is unable to fully comply with Recommendation 8.1. Microequities is satisfied that the current composition of committee members is adequate and that non-compliance with Recommendation 8.1 will not be detrimental to Microequities.</p>