

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MAYFIELD CHILDCARE LIMITED

ABN / ARBN:

53 604 970 390

Financial year ended:

31 DECEMBER 2018

Our corporate governance statement² for the above period above can be found at:³

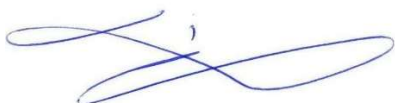
- These pages of our annual report:
- This URL on our website: <http://mayfieldchildcare.com.au/investor-information/>

The Corporate Governance Statement is accurate and up to date as at 15 February 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 15 February 2019

Name of Secretary authorising lodgement:



ANDREW DRAFFIN

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|---|--|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (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. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at <i>[insert location]</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|--|--|
| 1.5 | <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>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6 | <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 evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <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 evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|--|--|
| PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2 | <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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at Directors Report</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|---|---|---|
| 2.3 | A listed entity should disclose: (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. | ... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at Directors Report | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 2.4 | A majority of the board of a listed entity should be independent directors. | ... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at Directors Report | <input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|---|--|--|--|
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 4.2 | <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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|--|---|---|
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | <p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at http://mayfieldchildcare.com.au/ | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | <p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | <p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|--|--|
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2 | <p>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 fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|---|---|--|---|
| 7.3 | <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>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.4 | <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>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at Directors Report</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ | |
|--|--|--|--|
| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ 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><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2 | <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>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴ |
|--|--|---|---|
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

Corporate Governance Statement

As a company listed on the Australian Securities Exchange (ASX), Mayfield Childcare Limited ('Mayfield', 'Company') is required to have regard to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (ASX Recommendations), available from the ASX web-site (www.asx.com.au). The ASX Recommendations cover a range of 'aspirational' principles to promote good corporate governance. Mayfield aims to comply to the maximum extent practicable, considering the Company's resources, stage of development and current priorities. The corporate governance statement is current as at the date of this report and has been approved by the Board.

Our approach to corporate governance

(a) Framework and approach to corporate governance and responsibility

The Board of Mayfield is committed to maintaining the highest standards of corporate governance.

Corporate governance in essence is about adopting and maintaining a set of values that underpin the company's everyday activities - values that ensure fair dealing, transparency of actions, and protect the interests of all stakeholders. The Board considers corporate governance forms part of a broader framework of corporate responsibility and regulatory oversight.

In pursuing its commitment to best practice governance standards, the Board will continue to:

- review and improve its governance practices; and
- monitor global developments in best practice corporate governance.

The Board's approach has been to be guided by the principles and practices that are in our stakeholders' best interests while ensuring full compliance with legal requirements.

(b) Compliance with the ASX Corporate Governance Principles and Recommendations

ASX Listing Rules requires listed companies to include in their Annual Report a statement disclosing the extent to which they have followed and complied with the ASX Corporate Governance Principles and Recommendations within the reporting period.

Listed companies must identify the recommendations that have not been followed and further disclose the rationale for not adopting any of the best practice recommendations, a case of 'if not, why not?' A summary of the Company's compliance with the ASX Corporate Governance Principles and Recommendation can be found on pages 22 to 32.

This Governance Statement describes the Company's governance practices and notes where they do not comply with the ASX Corporate Governance Principles and Recommendations.

The Company's full Corporate Governance Plan will be available shortly on the Company's website within a dedicated section encompassing its governance practices as part of a larger upgrade of the Company's website.

Date of this statement

This statement reflects the Company's corporate governance policies and procedures as at 15 February 2019.

The Board of Directors

(a) Membership and expertise of the Board

The Board has a broad range of relevant financial and industry skills, experience and expertise to meet its objectives. The current Board composition, with details of individual Director's backgrounds, is set out within the Directors Report on pages 6 to 7 of the Company's 2018 Annual Report.

(b) Board role and responsibility

The Board is accountable to shareholders and stakeholders for Mayfield's performance. In summary, the Board's responsibilities include but are not limited to the following:

- providing strategic direction and approving corporate strategic initiatives;
- planning for Board and executive succession;
- selecting and evaluating future Directors, the Chief Executive Officer ("CEO") and other executives;
- setting CEO and Director remuneration within shareholder approved limits;
- approving budgets, monitoring management and financial performance;
- considering and approving the Annual Financial Report (including the Directors' Declaration) and the interim and final financial statements;
- approving Mayfield Childcare Limited's risk management strategy, monitoring its effectiveness and maintaining a direct and ongoing dialogue with the Company's auditors and regulators; and
- considering and reviewing the social and ethical impact of the Company's activities, setting standards for social and ethical practices and monitoring compliance with Mayfield's social responsibility policies and practices.

The Board would normally delegate to management responsibility for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing the Company's annual budget, recommending it to the Board for approval and managing day-to-day operations within budget; and
- managing day-to-day operations in accordance with standards for social and ethical practices set by the Board.

The company has adopted a Board Charter which sets out the specific responsibilities of the Board, the requirements as to the Board's composition, the roles and responsibilities of the Chairman, Company Secretary and management, the establishment and operations of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.

(c) Board size and composition

The Board determines its size and composition, subject to the limits imposed by the Company's Constitution. The Constitution requires a minimum of three and a maximum of seven Directors. In addition, at least two of the Directors shall ordinarily reside within Australia. Currently, the Board consists of three directors, one independent non-executive and two executive directors.

Election of Board members is substantially the province of the Shareholders in general meeting however the Board may fill casual vacancies within the year and seek shareholder approval at the next available general meeting of the Company. .

(d) The selection and role of the Chairman

The Chairman is selected by the Board from the non-executive Directors. The Chairman's role includes:

- providing effective leadership on formulating the Board's strategy;
- representing the views of the Board to the public;
- ensuring that, when all Board members take office, they are fully briefed on the terms of their appointment, their duties and responsibilities;
- ensuring that the Board meets at regular intervals throughout the year, and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Directors;
- guiding the agenda and conduct of all Board meetings; and
- reviewing the performance of the Board of Directors.

The Board Charter provides that where practical the Chairman of the Board will be a non-executive director. The Chairman, Mr Peter Lowe is a non-executive director and is considered by the Board to be independent.

(e) Directors' Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are independent of management and free from 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.

Materiality is assessed on a case-by-case basis by reference to each Directors' individual circumstances rather than general materiality thresholds. In assessing independence, the Board considers whether the Director has a business or any other relationship with the Company, either directly, or as a partner, shareholder or officer of a company with Mayfield or group member. Presently the only independent Director is Mr Peter Lowe; Mr Dean Clarke and Ms Michelle Clarke are executives of the Company and are therefore not considered to be independent. The Company will seek to appoint an additional independent Director in the future to address the lack of independence of its Directors in accordance with its governance policies.

(f) Avoidance of conflicts of interest by a Director

In accordance with the Corporations Act 2001, any Director with a material personal interest in a matter being considered by the Board must excuse themselves when the matter is being considered and may not vote on such a matter in their capacity as a Director. Directors are provided with an opportunity to declare any existing or potential conflict of interest at the beginning of each board meeting with regards to any business under consideration at that meeting.

(g) Meetings of the Board and their conduct

Meetings of the Board occur as appropriate. Currently Board meetings have been scheduled in advance to occur on a monthly basis. Details of Board meetings held and attended are tabled in the Directors' Report, which forms part of the Annual Report.

(h) Succession planning

The Board plans succession of its own members taking into account the skills, experience and expertise required and currently represented, and Mayfield's future direction. The Board is also responsible for CEO, CFO and Company Secretary succession planning together with other executive appointments as required.

(i) Review of Board performance

The Board of Mayfield are responsible for self-evaluation and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required. No review has been conducted at the date of this statement. . A review will be undertaken in 2019.

(j) Nomination and appointment of new Directors

Mayfield has detailed guidelines surrounding the appointment and selection of Board members. The Company's Corporate Governance Plan requires the Board to undertake an appropriate evaluation before appointing a person, or putting forward to shareholders a candidate for election, as a Director.

All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to shareholders within a Notice of Meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.

(k) Retirement and re-election of Directors

The Company's Constitution states that one-third of the total member Directors of the board must retire each year with the exception of the CEO or Managing Director. The maximum period that each Director can serve in any single term is three years. Any Director who has been appointed during the year must retire at the next annual general meeting of the Company and may offer themselves for election at that meeting. Eligible Directors who retire each year in accordance with the rotation policy may offer themselves for re-election by shareholders at the next annual general meeting.

(l) Compulsory retirement of Directors

The Board has no limit on the number of terms of office which any Director may serve in accordance with the Company's constitution.

(m) Board access to information and advice

All Directors have unrestricted access to company records and relevant information concerning the Company's operations. The Board is provided with regular detailed financial and operational reports and the Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, the Company's Constitution and other regulatory considerations with assistance from external advisors where appropriate.

The Board collectively, and each Director individually has the right to seek independent professional advice at the Company's expense to the extent that it will enable them to carry out their responsibilities. The Chairman's consent must be sought prior to seeking such legal advice however it is noted that such consent will not be unreasonably withheld and, in the Chairpersons absence, Board approval may be sought.

(n) Diversity Policy

The Board has not formally adopted a diversity policy however the Board has provided a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through its broader Code of Conduct. The Company's formal adoption a Diversity Policy will be disclosed within the Company's website at the conclusion of its development.

| | 31 December 2018 | |
|---|------------------|----|
| | Number | % |
| Women on the Board | 1 | 33 |
| Women in senior management roles | 6 | 75 |
| Women employees in the Company | 530 | 98 |

(o) Securities trading policy & Continuous Disclosure

Directors and employees are subject to the Corporations Act with regards to restrictions on trading the Company's securities if they are in possession of inside information. Inside information is regarded as any information that is non-public and, if it were public that a reasonable person would expect to have a material effect on the price of the Company's securities.

In addition, the company has established a policy on the trading of Mayfield's securities, which applies to all Directors and employees. Key aspects of this policy are as follows:

- Directors and employees are encouraged to be long term holders of the company securities and are discouraged from any short-term trading;
- Directors and employees must not trade in shares one month prior to the release of the Company's half-year and full-year results;
- Directors and employees may trade shares for 4 weeks following the announcement of the annual results, half-year results and the annual general meeting, provided the market has been fully informed. However, a trading embargo of 24 hours applies immediately after any significant announcement;
- Directors and employees need to ensure that the market is fully informed before they can trade and are encouraged to discuss any intended share trading with the Chairman or Company Secretary; and
- Trading outside the four-week period is required to be approved by the Chairman, prior to any transaction occurring.

Generally, if the market is fully informed, the approval will be granted.

- Directors are required to notify the Company Secretary within 2 days of a change in their beneficial interest in the company shares.
- Directors are also required to obtain a written acknowledgement of the Chairman (or the Board in the case of the Chairman) prior to trading.

Directors' interest in the company's securities have not changed since the initial admission of the Company to ASX and each Directors interest is declared at the beginning of each Board meeting held.

The Company is a disclosing entity under the Corporations Act and is subject to the continuous disclosure requirements under ASX Listing Rules. Communications with shareholders and other stakeholders are given a high priority. In addition to statutory disclosure documents such as Annual Reports, the Board is committed to keeping all stakeholders informed of all material developments that affect the Company in a timely manner.

The Company has a formal policy and comprehensive procedures on continuous disclosure. Once the Board or management becomes aware of information concerning the Company that would be likely to have a material effect on the price or value of the Company's securities (and which does not fall within the exceptions to the disclosure requirements contained in the Listing Rules), that information is released to the ASX. The Board has appointed the Company Secretary (or, in his absence, the Chairman) as the person responsible for communications to ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX. Operational announcements, presentations or other briefings are posted on the Company's website after release to the ASX.

Board committees

The Board will look to implement the following committees or a combination thereof once an additional independent director has been appointed:

- Audit Committee
- Board Risk Oversight Committee
- Board Nominations Committee
- Board Remuneration Committee

Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company has not formally implemented the committees listed above. Pursuant to clause 3.2(s) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the above Committees under the written terms of reference or charters where applicable for those committees. These charters or policy documents will be posted to the Company's website within the Corporate Governance section.

Audit governance and independence

(a) Approach to audit governance

The Board is committed to these basic principles. Mayfield must:

- Produce true and fair financial reports;
- Prepare a framework of risk management and internal controls;
- Ensure transparent and timely reporting; and
- Ensure its accounting methods are comprehensive and relevant and comply with applicable accounting standards and policies.

(b) Engagement and rotation of external auditor

The Company's independent external auditor is PKF Melbourne and there is currently no set minimum or maximum term of engagement for the external auditor of the Company. However the audit partner responsible for the audit report must rotate at least once in any five year period in accordance with appropriate regulations.

(c) Discussions with external auditor on independence

The Board requires the external auditor to confirm that they have maintained their independence and this declaration is disclosed within the full-year and half-year financial report released by the Company and can be found on page 14 of the Company's 2018 Annual Report.

(d) Relationship with auditor

- the audit partner and any audit firm employee on the Mayfield audit are prohibited from being an officer of the Company;
- an immediate family member of an audit partner or any audit firm employee on the Mayfield audit is prohibited from being a Director or an officer in a significant position of the Company;
- a former audit firm partner or employee on the Mayfield audit is prohibited from becoming a Director or officer in a significant position of the Company for at least five years.
- members of the audit team and firm are prohibited from having a business relationship with Mayfield or any officer of the Company unless the relationship is clearly insignificant to both parties;
- the audit firm, its partners, its employees who work on the Mayfield audit and their immediate family members are prohibited from having a direct or material indirect investment in the Company;
- officers of the Company are prohibited from receiving any remuneration from the audit firm;
- the audit firm is prohibited from having a financial interest in any Company with a controlling interest in Mayfield; and
- the audit firm engagement team in any given year cannot include a person who had been an officer of Mayfield during that year or in the proceeding 2 years.

(e) Restrictions on non-audit services by the external auditor

The external auditor is not restricted in the provision of non-audit services to the Company except as required by the Corporations Act or ASX Listing Rules. Any fees paid for non-audit services are disclosed with the auditor's remuneration sections of the Annual Report.

(f) Attendance at Annual General Meeting

The Company's external auditor is required to attend the annual general meeting of the Company and is available to answer shareholders questions in relation to the conduct of the audit of the financial report.

Controlling and managing risk**(a) Approach to risk management**

The Board of the Company recognize that managing risk is central to the business and building shareholder value. Mayfield's approach is to identify, assess and control the risks which affect its business. The intention is to enable risks to be balanced against appropriate rewards. The risk management approach links the Company's vision, values, objectives, strategies, procedures and training.

(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. The Audit and Risk Management Committee would be responsible for implementing the Board-approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of Mayfield's activities however this role is currently undertaken by the full Board.

(c) CFO assurance

The Board receives monthly reports regarding the financial condition and operational results of the Company and together with the CEO periodically provides formal statements to the Board that in all material respects:

- the company's periodic financial statements present a true and fair view of the Company's financial condition and operational results for those reporting periods; and
- that risk management and internal compliance and control systems are sound, appropriate and operating efficiently and effectively.

Remuneration framework**(a) Overview**

The remuneration package of an executive Director will be set by the Board, without the affected executive Director participating in that decision-making process.

In respect of executive remuneration (which for the avoidance of doubt includes both directors and executive management), remuneration packages are designed to include an appropriate balance of fixed and variable performance based remuneration and may contain any or all of the following:

Fixed remuneration

- be reasonable and fair;
- take into account the Company's legal and industrial obligations together with labour market conditions;
- be relative to the scale of the Company's business;
- reflect core performance requirements and expectations; and
- take into account incumbent skills and experience;

Variable performance-based remuneration

- take into account individual and corporate performance; and
- be linked to clearly-specified performance targets, which should be:
- aligned to the Company's short and long-term performance objectives; and
- appropriate to its circumstances, goals and risk appetite;

Equity-based remuneration

Can include options or performance shares and is especially effective when linked to hurdles that are aligned to the Company's longer-term performance objectives also taking into account executive performance. However, programs are designed so that they do not lead to 'short-termism' on the part of senior executives or the taking of undue risks.

Termination payments

Termination payments are agreed in advance, and any agreement will clearly address what will happen in the case of early termination. There will be no payment for removal for serious misconduct. Employment contracts for executives will have regard to the maximum amount that can be paid under the termination provisions under the *Corporations Act 2001 (Cth)*, and in particular the maximum amount that can be paid without requiring shareholder approval.

In respect of non-executive director remuneration, remuneration packages contain cash fees, superannuation contributions and non-cash benefits in lieu of fees (such as salary sacrifice into superannuation or equity) and may contain any or all of the following:

- fixed remuneration – this reflects the time commitment and responsibilities of the role;
- no performance-based remuneration – non-executive directors do not receive performance-based remuneration as it may lead to bias in their decision-making and compromise their independence;
- termination payments – non-executive directors are not be provided with retirement benefits other than superannuation.

The total maximum remuneration of Non-Executive Directors is initially set by the Directors and subsequent variation is by carrying an ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and ASX Listing Rules, as applicable. The determination of Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions made by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts, (e.g. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Board determine whether a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be reimbursed for reasonable travelling, hotel and other expenses incurred by them whilst carrying out their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(b) Employee Share Option Plan

An Employee Share & Option Plan (ESOP) was formally adopted by the Directors of the Company on 27 October 2016. No rights or options have been granted over un-issued shares to any Director or executive employee of Mayfield as part of their remuneration as at the date of this report.

Corporate responsibility and sustainability

(a) Approach to corporate responsibility and sustainability

Mayfield Childcare Limited's approach to corporate responsibility and sustainability is to manage its business in a way that produces positive outcomes for all stakeholders and maximizes economic, social and environmental value simultaneously. In doing so, Mayfield accepts that the responsibilities flowing from this go beyond both strict legal obligations and the financial bottom line. Transparency, the desire for fair dealing, and positive links into the community underpin the Company's everyday activities and corporate responsibility practices.

(b) Code of conduct

The Company has in operation a formally adopted Code of Conduct that applies to all Directors, Executives and employees without exception. The intention of the Code is to govern workplace and human resource practices, risk management and legal compliance whilst ensuring alignment to the Shareholders' interests.

The Directors of Mayfield believe the core values of teamwork, integrity and performance ensure ethical outcomes and the alignment of the shareholders and the Boards' interests.

The ASX recommendations require that the Code of Conduct is reviewed periodically, specifically to reflect the ASX Corporate Governance Principles and Recommendations, such a review is yet to occur however a review of Director and senior management is planned during 2019 following two full years of operations by the Company.

(c) Insider trading policy and trading in Mayfield Childcare Limited shares

The Company Secretary together with the Board has responsibility for ensuring compliance with the continuous disclosure requirements in accordance with ASX Listing Rules, plus overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

Mayfield is committed to giving all shareholders comprehensive and equal access to information about its activities, and to meet continuous disclosure obligations to the broader market. The Company's policy is designed to ensure compliance with ASX Listing Rules continuous disclosure requirements and it ensures that any information that a reasonable person would expect to have a material effect on the price of the Company's securities is disclosed.

Mayfield is considering redesigning its website to ensure efficient and timely communication with all stakeholders through this medium in conjunction with the ASX Company Announcements platform carrying all the relevant information.

Compliance with ASX Corporate Governance Council Good Practice Recommendations

The table below outlines each of the ASX Best Practice Recommendations and the Company's compliance with those recommendations. Where the Company has met the relevant recommendation during the reporting period, this is indicated by a "YES" in the relevant column. Where the Company has not met or complied with a recommendation, this is indicated by a "No" and an accompanying note explaining the reasons why the Company has not met the recommendation.

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|--|-----------------|---|
| Principle 1: Lay solid foundations for management and oversight | | |
| <p>Recommendation 1.1 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</p> | YES | <p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, the requirements as to the Boards composition, the roles and responsibilities of the Chairman, Company Secretary and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|---|-----------------|--|
| <p>Recommendation 1.2</p> <p>A listed entity should disclose:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward 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 relevant to a decision on whether or not to elect or re-elect a director.</p> | YES | <p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake an appropriate evaluation before appointing a person, or putting forward to shareholders a candidate for election, as a Director</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to shareholders in a Notice of Meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.</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> | YES | <p>The Company's Corporate Governance Plan requires the Board to ensure that each director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. Each current Director has executed such an agreement.</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> | YES | <p>The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.</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;</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> | NO | <p>a) The Company has not formally adopted a Diversity Policy.</p> <p>(i) The broader Code of Conduct provides a framework for the Company to set and achieve measurable objectives that encompass gender equality.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|--|-----------------|--|
| <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) 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.</p> <p>(ii) either:</p> <p>(A) the respective portions 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>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p> | NO | <p>(b) The measurable objectives set by the Board will be included in the annual key performance indicators for senior executives. In addition, the Board will review progress against the objectives in its annual performance.</p> <p>The Board will include in its Annual Report each year, the Measurable objectives, progress against the objectives, and the proportion of male and female employees in the whole organisation, at senior management level and at Board level.</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>disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | YES | <p>(a) Currently, the roles of the Nomination Committee are undertaken by the full Board. The Company intends to establish a separate Nomination Committee once the Company's operations are of a significant magnitude and an independent Director is appointed.</p> <p>(b) The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis, with the aid of an independent advisor, if deemed required.</p> <p>(c) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period. Details of the performance evaluations conducted will be provided in the Company's Annual Reports. No evaluation has taken place to the date of this report given the fact no Director has served a twelve month term as a Director of the listed entity.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|---|-----------------|--|
| <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> | NO | <p>(a) The Board, as a whole, is responsible for evaluating the performance of senior executives and arranging performance evaluations.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. No evaluation has taken place at the date of this report however a performance review is planned for 2019 and the details of the evaluation will be disclosed in the Company's future annual reports.</p> |
| <p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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> <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, experience, independence and knowledge of the entity to enable it to discharge its duties</p> | NO | <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. Pursuant to clause 3.25(s) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The Board devotes time on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with Recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|---|-----------------|--|
| <p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | YES | <p>The Board is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve). The composition of the Board is to be reviewed regularly against the Company's Board skill matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction. This role will be performed by the Nomination Committee once established. The Company has disclosed the Board skill matrix within its Annual Reports.</p> |
| <p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), 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</p> <p>(c) the length of service of each director</p> | YES | <p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. The only current independent Director is Mr Peter Lowe.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interest disclosed by Directors,. Details of the Directors interest, positions, associations and relationship are provided in this report.</p> <p>The length of services of each Director has been disclosed within the Directors Report.</p> |
| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | NO | <p>The Board Charter requires that where practical the majority of the Board will consist of independent Directors. Details of each Director's independence is provided within the Directors Report. The only current independent Director is Mr Peter Lowe.</p> <p>The Company will seek to appoint additional independent Directors in the future to address the current imbalance.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|--|-----------------|--|
| <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> | YES | <p>The Board Charter provides that where practical, the Chairman of the Board will be a non-executive director. The Chairman, Mr Peter Lowe is a non-executive director and considered by the Board to be independent.</p> |
| <p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p> | YES | <p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Nomination Committee is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p> <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. Pursuant to clause 3.2(s) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> |
| <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> | NO | <p>(a) The Company currently operates under a documented Code of Conduct and applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct is not published at the date of this report however it will be disclosed within the Corporate Governance section of the Company's website which is currently being updated.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|--|-----------------|--|
| <p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) 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 <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 financial reporting, including the processes for the appointing and removal of the external auditor and the rotation of the external auditor.</p> | NO | <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have an Audit Committee. Pursuant to clause 3.2(s) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit Committee under the written terms of reference for that committee.</p> <p>The Board devotes time annually to fulfilling the roles and Responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</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 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> | YES | <p>The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before the Board approves the entity's financial statements for a financial period, the CEO/MD and CFO have declared 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> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|---|-----------------|---|
| <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 shareholders relevant to the Annual Report.</p> | YES | <p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from shareholders relevant to the audit of the financial report.</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> | YES | <p>(a) The Company has adopted a Continuous Disclosure Policy' which documents the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Company's Continuous Disclosure Policy is not published at the date of this report however it may be disclosed within a dedicated Corporate Governance section on the Company's website which is currently being considered.</p> |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | YES | <p>Information about the Company and its governance may be available within in a dedicated Corporate Governance section on the Company's website which is currently being Considered.</p> |
| <p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> | YES | <p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to Shareholders.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|--|-----------------|--|
| <p>Recommendation 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 shareholders.</p> | YES | <p>The Shareholder Communication Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links will be made available to the Company's updated website on which all information provided to the ASX is immediately posted. Shareholders are encouraged to participate at all EGMs and AGMs of the Company.</p> |
| <p>Recommendation 6.4</p> <p>A listed entity should give shareholders the option to receive communications from, and send communications to, the entity and its board.</p> | YES | <p>Shareholders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders' queries should be referred to the Company Secretary in the first instance.</p> |
| <p>Recommendation 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> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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 process it employs for overseeing the entity's risk management framework.</p> | NO | <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Risk Management Committee. Pursuant to clause 3.2(s) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Risk Management Committee under the written terms of reference for that committee. The Board devotes time annually to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|---|-----------------|---|
| <p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p> | YES | <p>(a) The Company's process for risk management and internal compliance includes a requirement on the Board to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems.</p> <p>(b) The Board has evaluated the Company's risk management framework at the date of this report.</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 process.</p> | NO | <p>Due to the magnitude of the Company's operations, the Company does not currently have an internal audit function. The full Board has reviewed the current internal controls in place and has deemed them sufficient after consultation with the Company's external auditors.</p> |
| <p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | YES | <p>The Company currently has a Risk Management Policy in place which guides the Board, in the absence of the Risk Management Committee, on assessing and mitigating against economic, environmental and social sustainability risks.</p> |

| Principles and Recommendations | Comply (Yes/No) | Explanation |
|--|-----------------|--|
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director; and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>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.</p> | NO | <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Remuneration Committee. Pursuant to clause 3.2(s) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>A Remuneration Committee will be formed once an additional independent Director has been appointed.</p> <p>The Board will devote time annually to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</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 and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p> | YES | <p>The Company discloses its policies and practices regarding the remuneration of non-executive and executive directors and other senior employees within its Annual Financial Report.</p> |
| <p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p> | YES | <p>Equity based executive remuneration is made in accordance with thresholds as set out in ESOP which was approved by Directors on 27 October 2016.</p> <p>The Plan does not contain a policy on whether participants are permitted to enter into transactions to limit the economic risk of participating in the plan however it is noted that the Company's Securities Trading Policy sets the parameters of such transactions.</p> |