

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement sets out the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for the financial year ended 31 December 2017.

The Company's Corporate Governance documents can be located at the following website link:  
<http://www.ngecapital.com.au/corporate-governance>

<b>Principles and Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
<b>1. Lay solid foundations for management and oversight</b>		
<b>1.1</b> A listed entity should disclose:	Complies	
a) The respective roles and responsibilities of its board and management; and		The Company has established a Board Charter, which discloses the specific responsibilities of the Board and those of senior executives.
b) Those matters expressly reserved to the Board and those delegated to management.		The Board delegates responsibility for the day to day operations and administration of the Company to the Executive Chairman.  The Company's Board Charter is posted on the Company's website.
<b>1.2</b> A listed entity should:	Complies	
a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and		The Executive Chairman and Company Secretary are responsible for ensuring that appropriate checks are undertaken before a director candidate is appointed or put forward to security holders for election.  All material information in the Company's possession relevant to a decision on whether or not to elect or re- elect a director is provided to security holders in the notice of the meeting at which the director is to be put forward for election or re-election.
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		
<b>1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	All directors and senior executives have in place written agreements with the Company setting out the terms of their appointment.
<b>1.4</b> 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	Complies	The Company Secretary reports directly to the Executive Chairman. The decision to appoint or remove the Company Secretary is made by the Board.

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>1.5</b> 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, 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 ‘revelant employer’ under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators” as defined in and published under the Act.</li> </ul> </li> </ul>	<p>Does not comply</p>	<p>Given the Company’s current size the Board believes that there is no scope to achieve any meaningful diversity objectives in the short-term.</p> <p>However, the Board recognises and values the differences between people and the contribution these differences can make to the long-term growth and sustainability of the Company and will seek to re-introduce a Diversity Policy once meaningful goals can be set and achieved.</p> <p>The Company is not a ‘relevant employer’ under the Workplace Gender Equality Act.</p>
<p><b>1.6</b> A listed entity should:</p> <ul style="list-style-type: none"> <li>a) Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ul>	<p>Complies</p>	<p>The Company does not have a formal process for evaluating the performance of the Board and its Committees but rather there is an informal peer review procedure for evaluating the performance of individual directors.</p> <p>This informal review process was the evaluation process used during the reporting period.</p>

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>1.7</b> 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 and in accordance with that process</p>	Complies	<p>The Board, under the chair of Mr Rimer, annually evaluates the performance of the Company's Senior Executives.</p> <p>In accordance with this process the Board reviewed the performance of the Company's Senior Executives for the period ended 31 December 2017.</p>
<p><b>2. Structure the Board to Add Value</b></p>		
<p><b>2.1</b> The Board of a listed entity should:</p> <p>a) Have a nomination committee which:</p> <p style="padding-left: 40px;">i) Has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 40px;">ii) Is chaired by an independent director;</p> <p style="padding-left: 40px;">and disclose,</p> <p style="padding-left: 40px;">iii) the charter of the committee</p> <p style="padding-left: 40px;">iv) The members of the committee; and</p> <p style="padding-left: 40px;">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>	Does not comply	The Board does not have a Nomination Committee.

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p>b) If it does not have a nomination committee, disclose the 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>	Complies	The full Board is responsible for addressing board succession issues and for ensuring that the board has the appropriate balance of skills, knowledge, experience, independence to discharge its duties. The Board has determined the mix of skills required on the board (as set out in the Board Charter) and undertakes periodic informal reviews to evaluate the composition of the Board.
<p><b>2.2</b> 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>	Complies	<p>The skills of each Board member are disclosed on the Company's website and in the Company's Annual Report for each year.</p> <p>The Board Charter states the mix of skills the board of directors is looking to achieve.</p> <p>The Company currently does not have a Diversity Policy</p>
<p><b>2.3</b> 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 but the Board has the opinion that it does not compromise the independence of the director, the nature of the interest, position 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>	Complies	<p>These details are disclosed in the Annual Report.</p> <p>The Board comprises one independent Non-Executive, independent Director (Mr Rimer), one non-independent Executive Director (Mr Saunders) and the non-independent Executive Chairman (Mr Lamm).</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> <li>- Mr Lamm – 32 months</li> <li>- Mr Saunders – 32 months</li> <li>- Mr Rimer – 7 months</li> </ul> <p>For the period 1 January 2017 until his resignation on 24 January 2017 Sir Michael Bromley was a non-independent Non-Executive director. At his resignation, Sir Michael had served for 10 years.</p> <p>For the period 1 January 2017 until his retirement on 30 May 2017 Mr Worner was considered a non-independent Non-Executive director because he acted in an executive capacity as managing director for a period of 6 months ending in January 2016. At his retirement, Mr Worner had served for 23 months.</p>

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	The Board recognises that it is desirable for the majority of the Board to be Independent Directors, however the Company's current size dictates that the current board composition is the most efficient mode of operation at the current time. The Board will review the appointment of further Independent Directors should the company's size and growth warrant this.
<b>Principles and Recommendations</b>		<b>Compliance</b>	<b>Comment</b>
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.	Does not comply	<p>Mr Lamm was appointed to the Board as Non-Executive Chairman on 15 July 2015 and Executive Chairman on 29 February 2016. Mr Lamm is not considered to be an independent director by virtue of his shareholding in the company and being an Executive of the Company at the date of this report.</p> <p>The Board recognises that it is desirable for the majority of the Board to be Independent Directors, however the Company's current size dictates that this is the most efficient mode of operation at the current time. The Board will review the appointment of further Independent Directors should the company's size and growth warrant this.</p>
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 effectively.	Complies	The company has an informal program for inducting a new director and the company secretary ensures that all directors are informed of changes in governance obligations. The current board has the appropriate mix of skills and knowledge required to fulfil their responsibilities.
<b>3. Act Ethically and Responsibly</b>			
3.1	A listed entity should:	Complies	The Company has established a Code of Conduct, which provides a guide to the conduct expected of directors and employees of the Company. The aim of the Code is to make clear the importance the Company places on working with integrity at all times and with respect for each other, the environment, the law and the communities in which the Company operates.
	a) Have a code of conduct for its directors, senior executives and employees; and		
	b) Disclose that code or a summary of it.	Complies	The Code of Conduct is posted on the Company's website.

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>4. Safeguard integrity in Corporate Reporting</b></p> <p><b>4.1</b> The board of a listed entity should:</p> <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;</li> <li>2) is chaired by an independent director who is not the chair of the Board; and disclose</li> <li>3) the charter of the Committee;</li> <li>4) the relevant qualifications and experience of each member of the committee; and</li> </ol> <p>5) in relation to each reporting period, the number of times the committee met through the period and the individual attendances of each of the members at those meetings.</p>	<p>Does not comply</p>	<p>The Board has established an Audit Committee to safeguard the integrity of the Company’s financial reporting.</p> <p>The Audit Committee consists of two members as follows:</p> <ul style="list-style-type: none"> <li>• Mr Ilan Rimer (from August 2017) – Chairman of the Audit Committee, independent Non-Executive Director;</li> <li>• Mr Adam Saunders – non-independent Executive Director;</li> </ul> <p>For the period 1 January 2017 until his resignation on 30 May 2017 Mr Worner was Chair of the Audit Committee. Mr Worner is considered not independent because he acted in an executive capacity as managing director for a period of 6 months ending in January 2016.</p> <p>For the period 1 January 2017 until his retirement on 24 January 2017 Sir Michael Bromley was a member of the Audit Committee. Sir Michael was a non-independent Non-Executive director.</p> <p>The Audit Committee Charter is posted on the Company's website.</p> <p>The Board recognises that it is desirable for the majority of the Board to be Independent Directors, however the Company’s current size dictates that this is the most efficient mode of operation at the current time. The Board will review the appointment of further Independent Directors should the company’s size and growth warrant this.</p> <p>The qualifications and experience of each member of the Committee and the number of Audit Committee meetings held and the attendances at those meetings is disclosed in the Annual Report.</p>

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>4.2</b> 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>	Complies	The Board has received this assurance from the Executive Chairman and Chief Financial Officer
<p><b>4.3</b> 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>	Complies	Each year the Company's external auditor attends the Annual General Meeting.
<p><b>5. Make timely and balanced disclosure</b></p>		
<p><b>5.1</b> Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.</p>	Complies	<p>The Board has adopted a Continuous Disclosure Policy to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and to ensure accountability for compliance. The Continuous Disclosure Policy is posted on the Company's website.</p> <p>The Executive Chairman and the Company Secretary have primary responsibility for ensuring that the Company complies with its continuous disclosure obligations.</p>
<p><b>6. Respect the rights of shareholders</b></p>		
<p><b>6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	Complies	Information pertaining to the Company, its governance and ASX announcements can be located on the Company's website at: <a href="http://www.ngecapital.com.au/">http://www.ngecapital.com.au/</a>
<p><b>6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two – way communication with investors.</p>	Complies	The Board has established practices to facilitate effective communication with shareholders. The Executive Chairman and the Company Secretary oversee this process through the Company's website. Briefings are held with investors and financial advisors. Prior to such briefings, any new information to be given is first released to the ASX and if significant, is later distributed to shareholders/investors who have registered their email address with the Company. All shareholders are notified in writing of general meetings and are encouraged to attend and participate.

## NGE Capital Limited

### CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Complies	The Company has established a Shareholder Communication Policy which is posted to the Company's website. The Policy seeks to promote effective communication with shareholders and encourage effective participation by shareholders at general meetings.
<p><b>6.4</b> 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>	Complies	Through the Company's website and through the website of the Company's share registry, security holders are invited to provide their email address to enable electronic communication to and from the Company and its share registry.
<p><b>7. Recognise and manage risk</b></p>		
<p><b>7.1</b> 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 and 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 through the period and the individual attendance of the members at those meetings;</p>	Does not comply	Due to the present size of the Company, Company does not have a standalone Risk Committee. The full Board and the Audit Committee together perform the role of risk oversight.



# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<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>Complies</p>	<p>The Company's Risk Management Policy articulates the accountabilities of the Board, the Audit Committee and management in respect of risk management.</p> <p>The Audit Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of risk oversight and management policies.</p> <p>The Board monitors and receives advice as required on material business risks, and regularly considers appropriate risk management strategies. Specific identified areas of risk are regularly considered at Board meetings. Included in these areas are performance of operations, human resources, health, safety and the environment, continuous disclosure obligations, asset protection and financial exposures.</p> <p>The Executive Chairman and CFO are required to design and implement the Company's risk management and internal control system to manage the Company's material business risks and to report on whether those risks are being managed effectively.</p> <p>The Company's Risk Management Policy is posted on the Company's website.</p>
<p><b>7.2</b> The board or 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>Complies</p>	<p>The Executive Chairman and CFO have reported to the board on the effectiveness of the Company's management of its material business risks.</p>
<p><b>7.3</b> A listed entity should disclose:</p> <p>a) If it has an internal audit function, how the function is structured and role it performs; and</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>Complies</p>	<p>The Company's internal audit function is carried out by the Company's Audit Committee.</p> <p>The Board is responsible for reviewing and assessing the effectiveness of the Company's system of risk management and the Audit Committee is also responsible for reviewing at least annually the effectiveness of the Company's implementation of the risk management system and providing advice and recommendations to the Board regarding the ongoing development of risk oversight and management policies.</p>

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

Principles and Recommendations	Compliance	Comment
<p><b>7.4</b> 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>Complies</p>	<p>The Company's operations as a listed investment company are not subject to any particular or significant environmental regulation under the law of the Commonwealth or of a State or Territory of Australia.</p> <p>The Company's Board and management team identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives.</p>
<p><b>8. Remunerate fairly and responsibly</b></p>		
<p><b>8.1</b> 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 the reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meeting.</p>	<p>Does not comply</p>	<p>Since September 2017 the Company has not has a Remuneration Committee as the Board believes that given the size and nature of the Company it is more efficient to deal with remuneration issues as a whole. Should the size of the Company change the Board will consider re-instating a separate Remuneration Committee. Mr. Rimer Chairs the Board when it addresses remuneration matters and may seek external advice as necessary.</p> <p>The Company's Remuneration Committee Charter is posted on the Company's website.</p> <p>The number of Remuneration Committee meetings held prior to September 2017 and the attendances at those meetings is disclosed in the Company's Annual Report.</p>

# NGE Capital Limited

## CORPORATE GOVERNANCE STATEMENT

<b>Principles and Recommendations</b>	<b>Compliance</b>	<b>Comment</b>
<b>8.2</b> 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.	Complies	The Company's remuneration policy and remuneration of non-executive directors, executive directors and other senior executives is disclosed in the Company's Annual Report.
<b>8.3</b> A listed entity which has an equity based remuneration scheme should:  a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limited the economic risk of participating in the scheme; and  b) disclose that policy or a summary of it.	n/a	The Company does not have an equity-based remuneration scheme.