



ABN 74 143 928 625

MURRAY COD AUSTRALIA LIMITED

CORPORATE GOVERNANCE STATEMENT

Murray Cod Australia Limited (“the Company”) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs. The Corporate Governance Statement has been structured with reference to the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition to the extent that they are applicable to the Company.

Information about the Company’s corporate governance practices are set out below.

The Board confirms that this corporate governance statement is current as at 28 September 2018.

THE BOARD OF DIRECTORS

The Board is ultimately accountable for the performance of the company and provides leadership and sets the strategic objectives of the company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures.

Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought the Boards attention. They must operate within the risk and authorisation parameters set by the Board.

The Company’s Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification.

If the Company’s activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company’s activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

Mr Ross Anderson is Chair of the Board and is not considered to be an independent director given he is an executive of the Company.

The Board reviews its performance annually, as well as the performance of individual Committees and individual directors (including the performance of the Chairman as Chairman of the Board). The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company’s scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities. The use of an external facilitator may be utilised periodically to assist in the review process. The review for the current financial year will occur in June, to be led by the Chairman. The process will include collective Board discussions and individual

interviews conducted by the Chairman. The review of the Chairman's role will be conducted by the rest of the Board.

THE BOARD OF DIRECTORS (CONTINUED)

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the year and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

All directors, both executive and non-executive, receive written notifications of their appointment and a new director induction pack which details the terms and conditions of their appointment, remuneration (including superannuation contributions), continuous disclosure requirements (including interests in the company), ongoing confidentiality obligations, company policies on when to seek independent professional advice, the company's indemnity and insurance measures.

COMMITTEES OF THE BOARD

In view of the size and resources available to the Company, it is not considered that separate committees would add any substance to the control process, as such the board as a whole acts in regards to the responsibilities of the Audit, Remuneration and Nomination Committees. For further information regarding the Remuneration Policy and Audit, Nomination and Remuneration Committee Charters visit the website www.murraycodaustralia.com.

The role of the Audit Committee is to:

- Monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgements;
- Review the Company's internal financial control systems and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- Monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and
- Perform such other functions as assigned by law, the Company's constitution, or the Board.

The Nomination and Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.

The Company does not have an internal audit function, however the Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards. The board encourages the external auditor to attend the Annual General Meeting to address any shareholder questions that may arise.

INDEPENDENCE

Given the Company's present size and scope, it is currently not Company policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. For this reason the Board does not maintain a skills matrix, however the Board is considered to have an expansive range of relevant industry experience, financial and other skills and expertise to meet its objectives. Currently three board members are independent Directors and one Director is deemed to not be Independent due to being deemed a substantial shareholder.

Independent Directors

Roger Commins – Non-Executive Director
Martin Priestley – Non-Executive Director

Non-Independent Directors

Ross Anderson – Executive Chairman
Mathew Ryan – Managing Director

INDEPENDENCE (CONTINUED)

When determining the independent status of each Director the board has considered whether the Director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Is employed, or has previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such an employment and serving on the board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the services provided.
- Is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the Company other than as a Director.
- During the financial year both Mr Ross Anderson and Mr Mathew Ryan have had executive service agreements with the Company, which are considered to impair their respective independence.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Directors' rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

GENDER DIVERSITY

The Company has not adopted an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in size of the organisation, the policy will specifically deal with the objectives for achieving diversity.

The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace. The Group currently has no female board members or senior executives.

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that as a business that there are inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Company executives that promote the highest standards of ethics and integrity in carrying out their duties to the Company.

The Code of Conduct can be found on the Company's website at www.murraycoduaustralia.com.

COMPANY SECRETARY

The Company has a Company Secretary (including a joint Company Secretary from time to time) that is appointed by the board by resolution. The Company Secretary is accountable directly to the Board, through the Chairman.

The role of the Company Secretary is as follows:

- Advising the Board and Committees on governance matters.
- Monitoring adherence of Board and Committees to policies and procedures.
- Coordinating timely completion and despatch of Board and Committee papers.
- Ensuring business at Board and Committee meeting is accurately captured in the minutes.
- Helping to organise and facilitate induction and professional development of Directors

CONTINUOUS DISCLOSURE

The Company Secretary, working closely with the Chairman, have been delegated responsibility for the continuous disclosure of information to the market, to ensure:

- All investors have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance.
- Company announcements are factual and presented in clear and a balanced way, requiring the disclosure of both positive and negative information.
- When analysts are briefed on aspects of the Company's operations, the market is forewarned, and the materials used in such presentations are also released to the ASX and posted on the Company's website.
- Any information that a reasonable person would expect to have a material effect on the price or value of the Company's share price (as per Listing Rule 3.1) is immediately notified to the ASX.

The Company has established a documented procedure to handle continuous disclosure requirements

RISK MANAGEMENT SYSTEMS

The identification and management of risk, including calculated risk-taking activity is viewed by management as an essential component in creating shareholder value. Whilst there is currently no risk committee in accordance with recommendation 7.1 (a) the board as a whole is employed to oversee the Company's risk management framework as explained below.

Management is responsible for developing, maintaining and improving the Company's risk management and internal control system. A register of material business risks has been established, risks have been analysed and evaluated, risk management processes and controls are in place and reporting schedules developed. Management provides the board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management and internal control systems are in place to protect the financial statements of the entity from potential misstatement, and the Board is responsible for satisfying itself annually, or more frequently as required, that management has developed a sound system of risk management and internal control. A review has taken place during this reporting period.

Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process. The Company has identified and actively monitors risks inherent in the industry in which the Company operates.

The Board also receives a written assurance from the Chairman and Company Secretary that to the best of their knowledge and belief, the declaration provided to the Board in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the Chairman and Company Secretary can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a

sample basis, the inherent limitations in internal control and because much of the evidence is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in internal control procedures.

SECURITY HOLDERS

Investors may inspect the company's governance and Shareholder Communications policies via the website www.timepra.com which lay out the options to receive communications from, and send communications to, the entity and its security registry electronically.

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the company's state of affairs. The information is communicated to shareholders, and forms part of the company's two-way investor relations program:

- By ensuring that all shareholders can elect to receive information and communications from the company's share registry either physically or electronically, and can update their preferences through the share registry.
- By the Annual Report being distributed to all shareholders. The Board ensures the Annual Report contains all relevant information about the operations of the company during the financial year, together with details of future developments and other disclosures required under the Corporations Act 2001.
- By publishing its Notice of Meetings and Explanatory Memorandum for each Annual General Meeting or other such meetings as required from time to time;
- By encouraging shareholders to attend and participate in the company's Annual General Meeting;
- By encouraging shareholders to participate in proxy voting should they be unable to attend the company's Annual General Meeting;
- By the Half Year results report distributed to all shareholders;
- By disclosures forwarded to the ASX under the company's continuous disclosure obligations;

All information communicated by the company is in accordance with its continuous disclosure requirements under ASX Listing Rule 3.1.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the ASX Corporate Governance Guidelines with which the Company does not comply:

	ASX Principle	Reference/comment
Principle 1: Lay solid foundations for management and oversight		
1.5	The Board should establish a policy concerning diversity	<p>The Company does not have an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future.</p> <p>The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.</p>

	ASX Principle	Reference/comment
Principle 1: Lay solid foundations for management and oversight (continued)		
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>During the financial year there were no senior executives. The Company will develop a process for periodically evaluating senior executives and disclose periodically these evaluations when required.</p>
Principle 2: Structure of the board to add value		
2.1	<p>The Board should establish a nomination committee.</p>	<p>The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening of and appointing of new Directors under a specific charter. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.</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>Directors have been selected to bring specific skills and industry experience to the Company. The Board does not currently maintain a skills matrix, however the Board is considered to have an expansive range of relevant industry experience, financial and other skills and expertise to meet its objectives and a skills matrix will be developed as the Company grows in size and operations.</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Board is currently made up of two Independent and two non-Independent Directors. The Board believes the alignment of the interests of Directors with those of shareholders as being the most efficient way to ensure shareholders' interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairman, Mr Ross Anderson, does not meet the definition of an independent Director under the definition in the ASX Corporate Governance Guidelines. The Board believes the alignment of the interests of Directors with those of shareholders as being the most efficient way to ensure shareholders' interests are protected. The Board believes that this is both appropriate and acceptable at this stage of the Company's development.</p>
Principle 4: Safeguard integrity in corporate reporting		
4.1	<p>The Board should establish an audit committee</p>	<p>The Board has no formal audit committee. Acting in its ordinary capacity from time to time as required, and under a specific charter the Board carries out the process for ensuring the safeguard the integrity of its corporate reporting, including the process of appointing and removing and external auditor and the rotation of the audit engagement partner. In view of the size and resources available to the Company, it is not considered that a separate audit committee would add any substance to this process.</p>

ASX Principle		Reference/comment
Principle 7: Recognise and manage risk		
7.1	The Board should establish a risk committee	The Board has no formal risk committee. Acting in its ordinary capacity from time to time as required, and under a specific charter the Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance. Due to the size of the Company and the resources available, it is not considered that a separate risk committee is appropriate.
Principle 8: Structure of the board to add value		
8.1	The Board should establish a remuneration committee	The Board has no formal remuneration committee. Acting in its ordinary capacity from time to time as required, and under a specific charter the Board carries out the process for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. In view of the size and resources available to the Company, it is not considered that a separate remuneration committee would add any substance to this process.