



## ECP EMERGING GROWTH LIMITED

### Corporate Governance Statement - Year Ended 30 June 2021

This statement outlines the main corporate governance practices that were in place for the year ended 30 June 2021. The statement explains the extent to which the Company complies with the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition), including explanations of why certain recommendations have not been followed. For ease of comparison with the Principles and Recommendations, this section summarises the Company's compliance with each of the specific recommendations as follows.

Principle	1. Lay solid foundations for management and oversight
Recommendation	1.1 Disclose a Board Charter that sets out respective roles and responsibilities of its Board and Management
Compliant?	Compliant

The Board is responsible for the overall corporate governance of the entity and its overriding objective is to protect and increase Shareholder value. The Board guides and monitors the business to ensure that the Company is properly managed in the best interest of Shareholders. The Board is accountable to its Shareholders.

It is responsible for a broad range of matters including:

1. monitoring the Investment Manager and the composition and performance of the investment portfolio;
2. undertaking Director nomination matters including succession planning for the Board to ensure an appropriate mix of skills, experience, expertise and diversity is maintained;
3. approving and maintaining appropriate risk management and internal control systems to identify, assess, monitor and manage the Company's business risks on an ongoing basis;
4. overseeing the Company's process for disclosure and communications; and
5. developing and approving appropriate Company policies, procedures and codes of behaviour (including Whistleblower Policy) as required to maintain a culture of integrity and a strong framework of corporate governance.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations, and is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging)

The Charter sets out the matters specifically reserved for the Board.

Recommendation	1.2 Information prior to Director election/re-election or engaging senior executives
Compliant?	Compliant

Before the Board appoints a Senior Executive, a new Director or puts forward a Director candidate for election, the Board will ensure that appropriate background checks are undertaken. Shareholders are provided with all material information in our possession that is relevant to their decision on whether or not to elect or re-elect a Director through a number of channels, including via the Notice of Meeting, the Director Resumés and other information are contained in the Annual Report.

Recommendation	1.3 Written agreement with each Director and senior executive setting out the terms of their appointment.
Compliant?	Compliant

Upon appointment, each Director receives a letter of appointment which sets out the formal terms of their appointment, along with a deed of indemnity, insurance and access.

Recommendation	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.
Compliant?	Compliant

The Company Secretary is directly accountable to the Board on matters relating to the proper functioning of the Board. Details regarding the Company Secretary, including experience and qualifications, are set out in the Directors' Report.

Recommendation	1.5 Gender Diversity
Compliant?	Non-Compliant

In respect of diversity, the Board considers that diversity includes differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles, interpersonal skills, education and problem solving skills.

The Board seeks to develop a culture of diversity whereby a mix of skills and diverse backgrounds are employed by the Company at all levels, through structuring the recruitment processes, so that a diverse range of candidates are considered and there are no excuses or unconscious biases that might discriminate against certain candidates. However, as the Company is an externally managed entity with no internal employees, this recommendation is not applicable.

Recommendation	1.6 and 1.7 Board and Senior Executive Evaluation
Compliant?	Compliant

The Board is committed to formally evaluating its performance and the performance of the individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process. Any issues identified are addressed at subsequent Board meetings. A review was conducted in the financial year.

Principle	2. Structure the Board to be effective and add value
Recommendation	2.1 Establish a Nomination Committee
Compliant?	Non-Compliant

The Company has not established a formal Nomination Committee, as the Board considers that, due to the scope and nature of the Company's activities, the whole Board should undertake the responsibility.

Recommendation	2.2 Have and disclose a Board skills matrix
Compliant?	Compliant

Our objective is to have an appropriate mix of expertise and experience on our Board so that the Board can effectively discharge its corporate governance and oversight responsibilities. This mix is described in the Board skills matrix below.

#### Expertise

Financial Knowledge and Experience  
Legal, Governance and Compliance  
Commercial Acumen  
Risk Management

#### Experience

Industry – Finance and Superannuation  
Market – Australian Listed Securities  
Geography – Australia

Recommendation	2.3 Independent Directors
Compliant?	Compliant

The Board has accepted that an Independent Director is as defined in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition).

Of the current Board members, Mr Murray d'Almeida (Chairman) and Mr David Crombie AM are considered to be independent Directors.

The length of service of each Director is set out in the Directors Report.

Recommendation	2.4 Majority of the Board of a listed entity should be Independent Directors
Compliant?	Compliant

The structure of the Board does comply with this recommendation in that a majority of the Directors are independent (refer recommendation 2.3)

Recommendation	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.
Compliant?	Compliant

The Company's Chairman is Mr Murray d'Almeida, an independent Director.

Recommendation	2.6 Director induction and professional development
Compliant?	Compliant

New Directors are inducted into the Company's processes and policies in a suite of ways, including the provision of a 'Board manual', interviews with senior management of the Investment Manager and out of session meetings with other Directors. All Directors are encouraged to undertake ongoing professional development both in their area of technical expertise and in the skills required to effectively execute the role of Director.

Principle	3. Instil a culture of acting Lawfully, Ethically and Responsibly
Recommendation	3.1 Values
Compliant?	Compliant

The Company has adopted a Statement of Values that is fundamental to the Company's social licence to operate. The guiding principles, standards and behaviours within are expected of Directors, Senior Executives and employees to fulfill the Company's purpose and build long term sustainable value for its security holders.

The Statement of Corporate Values is available on the Company's website:

[www.ecpam.com/emerging](http://www.ecpam.com/emerging)

Recommendation	3.2 Code of Conduct
Compliant?	Compliant

The Company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all Directors and officers. The Code is reviewed annually and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity. A copy of the Code is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging)

The Code sets out the Company's commitment to conducting its business in accordance with all applicable laws and regulations while demonstrating and promoting the highest ethical standards.

Recommendation	3.3 Whistleblower Policy
Compliant?	Compliant

The Company has developed a Whistleblower Policy to allow eligible whistleblowers the confidentiality and protections to speak up about any unlawful, unethical or irresponsible behaviour. The Policy is reviewed annually by the Board.

The Policy is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging)

Recommendation	3.4 Anti-Bribery and Corruption Policy
Compliant?	Compliant

The Company has incorporated matters associated with anti-bribery and corruption within its Code of Conduct. Giving bribes or other improper payments or benefits to public officials is a serious criminal offence and is considered a serious breach of the Company values.

The Code of Conduct is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging)

Principle	4. Safeguard the integrity of corporate reports
Recommendation	4.1 Audit Committee
Compliant?	Compliant

In accordance with the commentary from the ASX Corporate Governance Council, the ultimate responsibility for a listed entity's financial statements rests with the full board. Given the size of the entity and the Board there are no efficiencies in maintaining an Audit Committee. The Board Charter of the Company includes relevant matters for which the Audit Committee would be responsible and which matters are carried out by the Board.

The Board Charter is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging).

Recommendation	4.2 CEO and CFO declaration on the financial records
Compliant?	Compliant

The Company does not have a CEO. The Board has received a declaration from the CFO that the Company's financial records 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation	4.3 Verification of Periodic Reporting
Compliant?	Compliant

The Company's external auditor reviews the Company's annual Directors Report, annual Remuneration Report, Interim and Final Financial Statements and the Appendix 4E and 4D announcements. Periodic reports that are not subject to external audit review such as Monthly NTA announcements and Quarterly Reports are subject to a rigorous internal review process conducted by the Manager prior to release to the market.

Principle	5. Make timely and balanced disclosure
Recommendation	5.1 Continuous Disclosure Policy
Compliant?	Compliant

The Company has a Continuous Disclosure Policy which sets out the obligations of the Company's Directors and officers in relation to continuous disclosure as well as the Company's obligations under the Corporations Act and the ASX Listing Rules. The policy also contains procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements and for the monitoring of Company compliance.

The Policy is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging).

Recommendation	5.2 The Board receives copies of all material market announcements promptly after they have been made
Compliant?	Compliant

In accordance with the Disclosure Policy mentioned above (recommendation 5.1), the Company Secretary is required to notify the Board of all market announcements promptly after they have been made.

Recommendation	5.3 Announce presentation materials used in investor and analyst presentations
Compliant?	Compliant

In accordance with the Disclosure Policy the manager must release a copy of presentation materials on the ASX Market Announcements Platform ahead of a presentation.

Principle	6. Respect the rights of security holders
Recommendation	6.1 A listed entity should provide information about itself and its governance to investors via its website
Compliant?	Compliant

Investors and other stakeholders can find information about the Company and its Corporate Governance practices can also be found at it's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging).

Recommendation	6.2 A listed entity should have an investor relations program to facilitate effective two-way communication with investors.
Compliant?	Compliant

The Company's Communications Policy sets out how the Company will communicate with Shareholders.

Information is communicated to Shareholders through the distribution of a quarterly report, annual and half yearly financial reports, announcements through the ASX and the media, on the Company's website and through the Chairman's address at the Annual General Meeting.

If requested, the Company will provide general information by email, facsimile or post.

Through the Company's email address and phone number, and at AGMs, the Company encourages two-way communication with Shareholders.

The Communication Policy is available on the Company's website: [www.ecpam.com/emerging](http://www.ecpam.com/emerging).

Recommendation	6.3 Disclose how it facilitates and encourage participation at meetings of security holders.
Compliant?	Compliant

The Company facilitates and encourages participation at meetings of security holders by having sections of each meeting dedicated to questions from the floor. Shareholders are given at least 30 days' notice of security holder meetings and those that are unable to attend in person may email or fax questions they would like answered.

The Company provides a direct voting facility to allow security holders to vote ahead of AGMs without having to attend or appoint a proxy.

For the October 2020 AGM, Shareholders were able to view the meeting via live webcasting, this option will be considered for future meetings as it provides greater access to the discussion for all Shareholders.

Recommendation	6.4 Ensure that all substantive resolutions are decided by a poll rather than by a show of hands
Compliant?	Compliant

The Chair of a security holder meeting will conduct a poll when deciding substantive resolutions.

Recommendation	6.5 Give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.
Compliant?	Compliant

Quarterly reports and other information required to be sent to Shareholders are sent by email to all persons who have requested their name to be added to the Company's email list. If requested, the Company will provide general information by email, facsimile or post.

Principle	7. Recognise and Manage Risk
Recommendation	7.1 Risk Committee
Compliant?	Non-Compliant

The Company does not have a separate Risk Committee. The Board is responsible for monitoring the Company's business risks.

The Board Charter is available on the Company's website [www.ecpam.com/emerging](http://www.ecpam.com/emerging).

Recommendation	7.2 Annual risk management framework review.
Compliant?	Compliant

Each year the Board reviews the Company's risk management framework. Ad hoc reviews may also be conducted when the Board perceives that the risk environment has shifted significantly. A review was conducted during the year.



Recommendation	7.3 Internal Audit Function
Compliant?	Compliant

The Company does not have an internal audit function as the Board has deemed it is not necessary giving consideration to the size and nature of the Company. Instead, the full Board through the CFO liaises closely with the Company's external auditor to identify potential improvements to the risk management and internal control processes.

Recommendation	7.4 Disclose any material exposure to environmental or social risks and how it manages those risks
Compliant?	Compliant

The Board monitors the business risk and guides the affairs of the Company in the discharge of its stewardship responsibilities. The Company does not currently have any direct exposure to environmental and social risks.

The Board meeting agendas and reports advise the Board of current and forthcoming issues relevant to the Company's operations and performance. The Board reviews the investment portfolio at their regular meetings.

Management has designed and implemented a risk management and internal control system through a Risk Management Framework. The Framework is monitored by the Board. The Framework is reviewed yearly by the Board.

The identified risks are grouped within the Framework under the following headings:

1. Strategic;
2. Operational;
3. External Macro; and
4. Environmental.

Principle	8. Remunerate fairly and responsibly
Recommendation	8.1 Remuneration Committee
Compliant?	Non-Compliant

Given the size of the Company and the nature of its activities, these functions are undertaken by the Board.

Recommendation	8.2 Disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.
Compliant?	Compliant

The maximum amount of Directors' fees is fixed by Shareholders at the Annual General Meeting and can only be varied by Shareholders in a similar manner. In determining the allocation of fees, the Board takes into account the time demands on each Director, together with the responsibilities undertaken by them and market practices of similar sized businesses in the Listed Investment Company sector.

It is the policy of the Board not to issue Directors incentive shares or options.

The details of the remuneration received by Directors in the 2020/2021 year are included in the Remuneration Report contained within the Directors' Report.

Recommendation	8.3 Equity based remuneration
Compliant?	Not Applicable

As the Company does not have an equity-based remuneration scheme, recommendation 8.3 is not applicable.