

# Corporate Governance Statement

---

## Corporate Governance Approach

The Board is responsible for the governance of the Company and has adopted the following framework to ensure that the Company is managed efficiently, effectively and ethically.

The framework and associated practices outlined in this statement comply with the ASX Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition unless otherwise stated. The framework and associated practices in place for financial year ended 31<sup>st</sup> March 2020 complied with the ASX Corporate Governance Principles and Recommendations 3<sup>rd</sup> Edition. This statement was approved by the Board on 14<sup>th</sup> May 2020.

Copies of the Company's Charters and Policies can be accessed through the company's website, [www.whitefield.com.au](http://www.whitefield.com.au).

## Principle 1: Lay Solid Foundations for Management and Oversight

### Board Objectives & Responsibilities

The Company's primary objective is to provide shareholders with long term investment returns from a portfolio of Australian shares. The Board's role is to facilitate the satisfactory achievement of this overarching objective, while carefully controlling risk.

The Board operates under a formal Board Charter which may be viewed through the Company's website. The Board is specifically responsible for:

- the prudential control of the Company's operations;
- the resourcing, review, challenging, monitoring and holding to account of executive and outsourced management;
- the timeliness and accuracy of reporting to shareholders;
- ensuring that remuneration policies are consistent with Company values and objectives; and
- the determination of the Company's broad objectives.

### Board Meetings

The Board holds four standard quarterly meetings each year, and holds additional specific purpose meetings as and when necessitated by the Company's operations. Board meetings are designed to cover a broad range of matters including corporate strategy, operating processes, outcomes, reporting and risk management. The number of Board meetings held and attendance at those meetings is shown in the Company's Annual Report.

### Board Committees

To assist in carrying out its responsibilities the Board has established an Audit & Risk Committee, a Nomination Committee and a Remuneration Committee. Each Committee operates under its own formal charter, each of which may be viewed through the Company's website. The number of Committee meetings held and attendance at those meetings is shown in the Company's Annual Report.

The current committees are comprised of the following directors:

<b>Audit &amp; Risk Committee</b>	<b>Nomination Committee</b>	<b>Remuneration Committee</b>
Jenelle Webster – (Chairman)	Mark Beardow (Chairman)	Lance Jenkins (Chairman)
Mark A Beardow	Lance Jenkins	Mark A Beardow
Lance Jenkins	Jenelle Webster	Jenelle Webster
	Angus J Gluskie	
	Will Seddon	

The role and responsibilities of the Nomination Committee are shown under Principle 2 below, the Audit & Risk Committee under Principle 4 and the Remuneration Committee under Principle 8.

### Executive Operations

The executive operations of the Company are performed by the Investment Manager (White Funds Management Pty Ltd), the Administrator (Link Fund Solutions Pty Ltd), the Custodian (RBC Investor Services Trust) and the Share Registry (Computershare Investor Services Pty Ltd). The Executive Directors of the Company (A.Gluskie and W.Seddon) are also directors of the Investment Manager.

The Company Secretary is appointed by and accountable directly to the Board and is responsible for:

- The effective functioning of the Board and Committees in accordance with the Company's policies and procedures;
- The timely distribution of materials to the Board and Committees and accurate minuting of meetings; and
- Maintaining an efficient process of communication directly with Board and Committee members.

## **Board Policies**

The board has also established a range of policies which govern its operation and the actions of executives. These policies are:

- Code of Conduct and Ethics
- Diversity Policy
- Risk Management Policy
- Disclosure Policy
- Securities Trading Policy

## **Performance Assessments**

The Chairman of the Board and one other director conduct a formal annual review of Board member performance, consideration of director commitments, currency of director experience, professional development requirements and aggregate Board effectiveness, involving both a structured assessment and one-on-one meetings. The Chairman of the Nomination Committee conducts a similar review on the Board Chairman. Both the Board and Committee Chairman report on the outcome of these meetings to the Nomination Committee. In respect of the current financial year all assessments under this process have taken place in accordance with the process disclosed.

The Audit & Risk Committee undertakes a review of the Chief Executive Officer's performance against relevant qualitative and quantitative measures and brings to the Board an assessment of the Chief Executive Officer's performance. In respect of the current financial year the performance review of the Chief Executive Officer has been undertaken in accordance with the process disclosed.

## **Principle 2: Structure for the Board to be Effective and Add Value**

### **Structure of the Board**

The Board structure involves:

- The number of Board members (other than a managing director) being a minimum of three and not more than five;
- A majority of the Board to consist of independent non-executive directors;
- The Board to contain a suitable balance of both non-executive and executive directors to ensure that decision making appropriately embraces both external and internal knowledge and experience;
- The Chairman of the Board to be either independent, or where non-independent, for a senior independent director to fill the role of Deputy Chairman in situations where the Chairman is conflicted.

## Current Board

Names, roles, independence status and tenure of the current Board, including their specific skills are shown in the table below, while details of Director qualifications and experience are shown in the Company's Annual Report and on the Company's website.

Name	Role	Skills & Experience Matrix							
		Independent	First Appointed	Shareholder	Financial Services	Investment Management	Structures & Distribution	Legal & Governance	Accounting / Audit / Tax
<b>Mark Beardow</b> , B.Ec, CFA, Cert Mgt MGSM Over 25 years in investment management and finance. Previously with JPMorgan, UBS and was Chief Investment Officer Global Equities/Fixed Income for AMP Capital. Currently a principal of the Darling Macro Fund.	Deputy Chairman Non-Executive Director	Yes	2017	✓	✓	✓	✓	✓	
<b>Angus Gluskie</b> , BEc, GDip App Fin & Inv, CA, FFin. Over 30 years' experience in the investment management, insurance and financial services fields. He has worked with Whitefield and associated entities since 1987.	Interim Chairman Managing Director	No	2003	✓	✓	✓	✓	✓	✓
<b>Lance Jenkins</b> , LLB, BCA (Vic), MBA (New York) Over 20 years experience in finance, Held senior roles with Goldman Sachs JBWere in New York, was CEO and Managing Director of Goldman Sachs JBWere NZ, Head of Cash Equities at the Commonwealth Bank of Aust, was an Exec Director of Waterman Capital and Partners Life Ltd. He is a director of MFB Group Ltd.	Non-Executive Director	Yes	2017	✓	✓	✓	✓	✓	
<b>Will Seddon</b> , BEc, CFA, CAIA, SAFin Over 15 years' experience as a wholesale investment manager and analyst, including more than a decade working with Whitefield. He has significant experience in fundamental analysis, investment strategy and quantitative techniques.	Executive Director	No	2017	✓	✓	✓	✓		
<b>Jenelle Webster</b> , B.Com, CA, Reg Company Auditor, IIAA, GIAA. Over 20 years experience in audit and financial services, working with Price Waterhouse Coopers, Moore Stephens Australia and Ernst & Young. She is currently the CFO of St Vincents Private Hospital Sydney and a director of Cadence Capital Ltd.	Non-Executive Director	Yes	2018	✓	✓			✓	✓

## Appointment and Renewal

The Company's Constitution requires directors other than the managing director to retire and seek re-election at least every three years. Any new Director appointed, other than the managing director, must seek election at the next Annual General Meeting following their appointment.

The Company holds a written agreement with each Director setting out the terms of their appointment. A newly appointed Director to the Board is issued with a copy of all Company Policies and Charters, and is provided with opportunities to meet and liaise with investment management and administration personnel. Within the annual Board review process, the Nomination Committee considers and encourages Board members to undertake appropriate levels of professional development.

## Nomination Committee

The Nomination Committee operates under a formal charter. The Committee has a majority of independent directors and is chaired by an independent director. The Committee meets a minimum of once per year, and will meet on additional occasions as considered appropriate during the processes of Board renewal.

The Nomination Committee is responsible for the determination of the appropriate size and composition of the Board, criteria for Board membership, the assessment of Board independence, identification and review of potential candidates, including the conduct of appropriate checks into a prospective director's background including their character, education, criminal or bankruptcy records, terms and conditions of appointment to and retirement from the Board, and the assessment of Board performance. Background checks are undertaken on both Executive and Non-Executive directors and the Company Secretary.

The Committee utilises a skills matrix when assessing Board composition. The Committee's target is to ensure that director's skills collectively include investment, accounting, taxation, general business experience and shareholder representation.

## Diversity Policy

The Company has a Diversity Policy which recognises the importance and benefits of being able to attract, retain and motivate Board members from the widest possible pool of available talent. The Company seeks to have no barriers to the selection or retention of Board members relating to disability, ethnicity, marital or family status, religious or cultural background, sexual orientation or gender, and will purely seek to select Board members on the basis of their merit on relevant metrics.

The Company does not set measureable objectives to achieve diversity as the compact size of the Board and executive team and the low turnover of Board and executives make it impractical to apply specific timelines around personnel changes. As noted above, the Board will however actively encourage and promote diversity where this can be done fairly and in a manner which enhances the capabilities of the Company.

The Company currently has the following gender diversity profile:

	Male		Female	
Non-Executive Directors	2	67%	1	33%
Executive Directors / Company Sec	3	100%	0	0%

### Independence of Directors

The Board has a majority of independent directors.

Whitefield's Interim Chairman is an executive, non-independent director, who has been selected to provide the company with the important benefits of experience, continuity and a deep knowledge of the company's operations and the industry. In accordance with the ASX Corporate Governance Guidelines the company balances this by maintaining the overall independence of the Board by:

- Having an independent Deputy Chairman who fills the Chair role in situations where the Chairman is conflicted;
- Ensuring the majority of the Board are fully independent non-executive directors who collectively hold the ability to independently review executive actions, determine and contribute agenda items and hold management accountable.

An independent director is considered to be a director:

- who is not an executive;
- who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- is not a significant supplier to the Company;
- is not in receipt of performance based remuneration;
- has no material contractual relationship with the Company other than as a director; and
- is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

## Principal 3: Act Lawfully, Ethically and Responsibly

### Whitefield's Statement of Values

Whitefield seeks to act with the utmost integrity, and to be professional, fair, equitable, honest and transparent in its operation as a listed investment entity.

### Ethical Standards

The Board expects non-executive and executive directors and company executives to understand, embrace and act in accordance with these values at all times, and to encourage these values to be upheld by all parties working for or providing services to the Company. In upholding these values, Directors and executives must comply with the company's Code of Conduct and Ethics at all times.

Under the Code of Conduct directors, executives and officers must:

- Act with high standards of honesty, integrity, fairness and equity, avoiding actual or potential conflicts of interest;
- Act lawfully and comply with the Company's Constitution, ASX Listing Rules, the Corporations Act 2001 and applicable Accounting Standards;
- Ensure confidential information is held, used and disclosed consistently with the Company's Privacy Policy
- Ensure that internal and external reporting is balanced, fair, accurate and timely.

The Code of Conduct also includes the Company's Anti-Bribery and Corruption Policy. This policy prohibits the payment of bribes or equivalents, and prohibits personnel from receiving personal benefits from third parties as a consequence of their role with the Company, other than inconsequential and immaterial benefits that are incidental to the proper pursuit of company business.

The Code also provides a formal Whistleblower Protection framework to facilitate the reporting and independent investigation of concerns about unlawful actions or breaches of Company policy, in a manner that protects individuals who report such behaviour in good faith.

### Share Trading Policy

The Company has a formal Securities Trading Policy. Generally, Directors and senior management can acquire shares in the Company, but are prohibited from dealing in Company shares (a) between the close of a month and the

release of the company's net asset backing to the ASX, (b) between the end of a reporting period and the release of results and (c) whilst in possession of price-sensitive information.

## **Principle 4: Safeguard Integrity in Corporate Reporting**

### **Audit & Risk Committee**

The Board has established an Audit & Risk Committee to oversee the company's risk control framework and the integrity of the financial reporting process.

The Committee operates under a formal charter, consists of three non-executive directors and has a Chairman who is not the Chairman of the Board. The Committee meets a minimum of two times per year.

The Audit & Risk Committee is responsible for the review of:

1. The Company's accounting policies, the content of financial statements and the content of non-audited reports;
2. The Company's risk management and internal control framework, including taxation risks and controls;
3. The conduct, effectiveness and independence of the external audit

### **External Audit**

External audit is considered an important element in the Company's risk management framework. The Company's current external auditor is MNSA Pty Ltd.

The Audit & Risk Committee adopts a structured process to assess and review the conduct, effectiveness and independence of the external audit. The Audit & Risk Committee meets on a regular basis with the auditor and where appropriate meets with the auditor in the absence of management.

The auditor has policies in place to ensure their compliance with the Corporations Law and best practice which mandate the rotation of the auditor every five years.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

### **Written Affirmations**

Prior to approving the financial statements at half and full year ends, the Board requires written affirmations to be provided by the Managing Director, Company Secretary, Investment Manager and Administrator as to the Company's financial statements, the proper maintenance of financial records, the effectiveness of the Company's internal controls, compliance with accounting standards and that the financial statements provide a true and fair view of the financial position and performance of the Company.

### **External Reporting Verification**

The company subjects all publicly released reports to a series of checks which are aligned to the risk and materiality of the documents as shown below:

- Six Monthly Financial Statements are subject to internal executive cross checking, Board/Committee review and external Audit/Review;
- Quarterly Shareholder Reports are subject to internal executive cross checking and Board/Committee review;
- Asset Backing Releases and all other publicly released reports are subject to internal executive cross-checking, and are made available to the Board for post-issuance scrutiny.

## **Principle 5: Make Timely and Balanced Disclosure**

The Company aims to keep the market appropriately informed on a timely basis in accordance with its obligations under the Corporations Act and ASX Listing Rules.

The Company has a formal Disclosure Policy setting out the procedures and responsibilities of Board and management to ensure that it can satisfactorily meet these obligations. The Board receives a copy of all material market announcements promptly after they are made, if they have not otherwise received them before.

## **Principle 6: Respect the Rights of Security Holders**

The Company seeks to respect the rights of shareholders by providing them with appropriate information on a regular basis and by providing them with facilities to exercise their rights as shareholders.

The Company has a website [www.whitefield.com.au](http://www.whitefield.com.au) which contains information on the Company, its objectives, corporate governance policies, periodic reports and pertinent financial information. All announcements lodged with the ASX are available via a direct link from the Company's website.

The Company also communicates with shareholders via its Annual Report and Quarterly Reports, all of which are available by mail, email or via the Company's website. The Company prepares a monthly Net Asset Backing Report which is released to the ASX by the 14th day following each month-end.

The Chief Executive Officer and Company Secretary are available to take shareholder queries by contacting the Company directly during office hours. If either the Chief Executive Officer or Company Secretary are unavailable to take shareholder queries a response will be provided as soon as practically possible. Shareholders can also submit enquires by post or by email to mail@whitefield.com.au

All shareholders receive an invitation to the Company's Annual General Meeting, at which event they are provided with the opportunity to put questions to the Board and management. Votes on all substantive resolutions shall be taken by poll.

The Company has also adopted all available electronic options from the Company's Share Register to allow electronic delivery of information where selected by shareholders and where possible provides shareholders with the ability to cast votes electronically.

## **Principle 7: Recognise and Manage Risk**

The Board has a formal Risk Management Policy which sets out the Company's framework for the identification, control and review of risk.

The Board delegates responsibility for reviewing the Risk Management framework and its effectiveness to the Audit & Risk Committee. A review of the Risk Management framework has been undertaken during the financial year confirming that the Company is operating with due regard to its risk appetite.

The Risk Management framework identifies and assesses the risks to which the Company is exposed and establishes the control structure and responsibilities to appropriately constrain and monitor those risks. However it should be appreciated that no cost effective internal control system can preclude all errors and irregularities.

The Board identifies the following business risks as having the potential to significantly or materially impact the company's performance (a) administrative risks including operational, compliance and financial reporting and (b) investment risk.

### **Administrative Risks**

The Company has outsourced its administrative functions to service providers, RBC Investor Services (custody), Link Fund Solutions Pty Limited (accounting and administration) and White Funds Management Pty Limited (investment and business management). Each of these organisations has its own risk management policy and framework to control the specific risks related to the function provided.

Link Fund Solutions Pty Limited [Link] is responsible for the management of administrative risks associated with financial administration and reporting. Link provides a declaration to the Board twice annually to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001, and that their processes of risk management and control are sound, appropriate and operating effectively. In respect of the current financial year all necessary declarations from Link have been received by the Board.

The Custodian, Administrator and Investment Manager provide the Company with an annual external audit report as to the satisfactory existence and operation of their internal control framework.

### **Investment Risk**

The Company outsources its investment functions to White Funds Management Pty Ltd.

By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market.

The investment manager operates in accordance with a formal investment management agreement approved by the Board and reports to the Board regularly on the portfolio's performance, transactions, exposures, strategy and operating resources and procedures.

The investment manager certifies on a twice yearly basis that they have complied with the requirements of the Investment Management Agreement. In respect of the current financial year all necessary declarations have been received by the Board.

### **Environmental and Social Risks**

As a Listed Investment Company Whitefield has an indirect exposure to environmental and social risks through its investment portfolio. The company assesses and monitors the outlook and risks for its investment holdings and periodically adjusts its investment exposure to such holdings as part of its core business operations.

## **Internal Audit**

The Company does not have an internal audit function as its executive functions are provided by the Investment Manager, Administrator and Custodian. Each of these entities is subject to an annual audit as to the satisfactory operation of their internal controls by an external auditor.

## **Principle 8: Remunerate Fairly and Responsibly**

The Company seeks to remunerate executives and directors in a manner that allows the Company to attract and retain high quality personnel and to align the interests of those persons with the objectives and values of the Company and the creation of value for shareholders.

### **Remuneration Committee**

The Company has established a Remuneration Committee to oversee the remuneration of non-executive directors. The Remuneration Committee consists of three independent directors and is chaired by an independent director. The Committee operates under a formal charter. The Remuneration Committee annually reviews and makes recommendations to the Board on the remuneration of the non-executive directors. Only non-executive directors receive remuneration in the form of directors' fees.

The executive functions of the Company have been outsourced to Link Fund Solutions Pty Limited (accounting and administration) and White Funds Management Pty Limited (funds management and business management). The Remuneration Committee also holds responsibility for considering and determining the contractual arrangements with these parties.