

2017 CORPORATE GOVERNANCE STATEMENT

This statement has been approved by the Board of the Company. The statement has been prepared as at 18 October 2017 with reference to the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Introduction

The Board of Directors of Land & Homes Group Limited ("Company") is responsible for the Company's corporate governance framework, as set out in this Corporate Governance Statement. This Corporate Governance Statement and supporting materials have been prepared with reference to the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations, third edition.

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board considers the recommendation to be appropriate for its corporate governance practices. Where the Company's corporate governance practices does not follow a recommendation, the Board has explained it reasons for not following the recommendation and disclosed what, if any, alternative practices the Company adopts instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.landhomesgroup.com under the section marked "Corporate Governance":

- Board Charter
- Code of Conduct
- Continuous Disclosure Policy
- Diversity Policy
- Risk Management and Internal Compliance and Control Policy
- Performance Evaluation Policy
- Remuneration Policy
- Securities Trading Policy
- Shareholder Communications Policy

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 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 roles and responsibilities of the Board are set out in a Board Charter which is available on the Company's website.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- appointment, evaluation, rewarding and if necessary the removal of the Chief Executive Officer, Executive Directors and Company Secretary;
- setting and communicating clear direction strategies and financial objectives of

the company; input into and final approval of management's development of corporate strategy and performance objectives;

- monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company including the reviewing and approving of annual and bi-annual budgets;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- monitoring the Group's medium term capital and cash flow requirements;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review; satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- ensuring that appropriate external audit arrangements are in place and operating effectively; overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- monitoring and ensuring compliance with all of the Company's legal obligations, particularly those obligations relating to the environment, native title, cultural heritage and occupational health and safety; and
- reporting to shareholders.

Management is charged with the day to day running and administration of the Company consistent with the objectives and policies as set down by the Board. Within this framework, the Executive Director is directly accountable to the Board for the performance of the management team.

RECOMMENDATION 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 whether or not to elect or re-elect a Director.**

In determining candidates to join the Board the Board will evaluate the mix of skills, experience, expertise and diversity of the existing Board. In particular, the board will seek to identify the particular skills that will best increase the Board's effectiveness. Consideration will also be given to the balance of independent Directors. Any appointment made by the Board will be subject to ratification by shareholders at the next general meeting.

Prior to the appointment of a new director the Board will undertake appropriate checks to ensure that the person's character, experience and education are appropriate for the position which may include criminal history and bankruptcy checks.

The Company will include all material information in its possession relevant to a decision whether or not to elect or re-elect a Director in the relevant Notice of Meeting. Information relating to each of the Directors is also provided on the Company's website.

RECOMMENDATION 1.3

A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.

Each Board member will have a written letter of appointment or executive contract setting out the terms of his or her appointment. New Directors will be familiarised with the Company by undertaking an induction program, which shall be arranged by the Company Secretary.

Directors are not appointed for a fixed term but are, excluding any Managing Director, subject to re-election by shareholders at least every three years in accordance with the Constitution of the Company.

A Director appointed to fill a casual vacancy or as an addition to the Board, only holds office until the next general meeting of shareholders and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding the Managing Director) must retire at each Annual General Meeting of shareholders.

The Company also maintains written agreements with each of its senior executives which set out the terms of their appointment.

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.

The Company Secretary has been appointed on the basis that he will be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

All Directors of the board have access to the Company Secretary who is appointed by the Board. The Company Secretary reports to the Chairman, in particular to matters relating to corporate governance.

RECOMMENDATION 1.5

A listed entity should:

- (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;**
- (b) disclose that policy or a summary of it; and**
- (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:**
 - (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**

- (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.**

The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice.

The Board acknowledges the benefits of and will seek to achieve diversity during the process of employment at all levels without detracting from the principal criteria for selection and promotion of people to work within the Company based on merit.

The Company has established a Diversity Policy, which provides the Board with objectives for achieving diversity that are appropriate for the Company.

The Company presently has only a small number of full time employees. The Board considers that due to the size of the Company setting measurable diversity objectives is not appropriate with its practice currently being to hire the most appropriate candidate for the position to be filled having regard to the activities to be undertaken in the role. As the Company increases in size the board will consider setting measurable objectives.

The Board is currently comprised of 9 members of which 2 are women.

RECOMMENDATION 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

The Chair has the overall responsibility for evaluating the Board, any committees established and, when appropriate, individual directors on an annual basis.

The method and scope of the performance evaluation will be set by the Chair and which may include a Board self-assessment checklist to be completed by each Director. The Chairperson may also use an independent adviser to assist in the review.

The performance of Executive Directors will be reviewed by the Board. The Board (or Directors nominated by the board) will conduct a formal performance evaluation of any Executive Directors annually to review performance against KPIs set for the previous year, and to establish KPIs for the forthcoming year.

No formal performance evaluation was undertaken during the reporting period.

RECOMMENDATION 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and**
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**

Currently, the Board does not have a formal policy for the evaluation of the performance of its senior executives.

The Executive Director will review the performance of the senior executives. The Executive Director will conduct a performance evaluation of the senior executives by meeting

individually with each senior executive on a yearly basis to review performance against the senior executive's responsibilities as outlined in his or her contract with the Company and against key performance indicators (KPI's) set for the senior executive set by the Executive Director or the Board.

As the Company expands, the Board intends to establish formal, quantitative and qualitative performance evaluation procedures.

No formal performance evaluation of senior executives was undertaken during the reporting period.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION 2.1

The Board of a listed entity should:

(a) have a nomination committee which:

- (1) has at least three members, a majority of whom are independent Directors, and**
- (2) is chaired by an independent director; and disclose**
- (3) the charter of the committee**
- (4) the members of the committee; and**
- (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**

(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

The Board does have a Nomination and Remuneration Committee.

The Committee is comprised of four members being Mr. Choon Keng Kho, Mr Chuan Thye Patrick Kho, Ms. Kwee Jee Lee and Mr. Kim Huat Koh of which only Ms. Lee and Mr. Koh are independent Directors. The Committee is chaired by Mr. Choon Keng Kho who is not an independent Director and is also Chairman of the Board.

The Committee has not established a formal charter.

RECOMMENDATION 2.2

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.

The Company does not have a formal Board skills matrix which sets out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.

The composition of the Board is reviewed from time to time taking into account the length of service on the Board, age, qualification and experience, any requirements of the Company's constitution, and in light of the needs and direction of the Company, together with such other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

The Board is currently comprised of directors with significant experience as directors of public companies; marketing experience; accounting and financial expertise; experience in the management and growth of businesses and extensive experience in the industry in which The Company operates. The Board considers that these skills and experience are appropriate for The Company.

RECOMMENDATION 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.**

Peter Mackinlay, Kwee Jee Lee, Kim Huat Koh and Chuan Chi Kao are considered Independent Directors.

In addition, the Board has adopted a series of safeguards to ensure that independent judgement is applied when considering the business of the Board:

- (i) Directors are entitled to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required but this is not unreasonably withheld.
- (ii) Directors having a conflict of interest with an item for discussion by the Board must absent themselves from a Board meeting where such item is being discussed before commencement of discussion on such topic.
- (iii) The Independent Directors confer on a "needs" basis with the Chairman, if warranted and considered necessary by the Independent Directors.

The Board considers Non-Executive Directors to be independent even if they have minor dealings with the Company, provided they are not a substantial shareholder. Transactions with a value in excess of 5% of the Company's annual operating costs are considered material. A Director will not be considered independent if he/she is involved in transactions with the Company that are in excess of this materiality threshold.

Details of each Directors experience and length of service can be found on the Company's website and are reported in the Company's Financial Report on an annual basis.

RECOMMENDATION 2.4

A majority of the Board of a listed entity should be independent Directors.

Independent Directors do not make up the majority of the Board. This situation has arisen due to Mr. Archibald accepting the position as an Executive Director following the resignation of the Chief Executive Officer in December 2016. Historically the majority of the Board have been independent Directors and it is anticipated that this situation will be rectified once a new CEO is appointed.

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.

Mr. Choon Keng Kho is the current Chairman of the Company. He is not an independent Director and is not the same person as the CEO.

The Board accepts that the Company does not fully comply with this recommendation given that Mr. Kho is not considered to be an independent Director. Mr. Kho's experience and focus are important to the future direction and success of the Company.

The Chairman's role includes:

- i. providing effective leadership on formulating the Board's strategy;
- ii. representing the views of the Board to the public;
- iii. ensuring that that the Board meets at regular intervals throughout the year and that minutes of meeting accurately record decisions taken and where appropriate the views of individual Directors;
- iv. guiding the agenda, information flow and conduct of all Board meetings;
- v. reviewing the performance of the Board of Directors; and
- vi. monitoring the performance of the senior management of the Company.

RECOMMENDATION 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 Company has not established a formal program for inducting new Directors however new Directors would be provided with all relevant Company policies and procedures.

Directors are encouraged to pursue appropriate professional development opportunities to develop and maintain their skills and knowledge in order to perform their role as Directors effectively.

All Board members have access to professional independent advice at the Company's expense, provided they first obtain the Chairman's approval, with such approval not being withheld unreasonably.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

RECOMMENDATION 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.**

The Board has approved a Code of Conduct which applies to all Directors, officers and employees and is available on the Company's website.

Key general principles outlined in the Code of Conduct include:

- the primary responsibility is to the Company as a whole;
- the requirement to act honestly, with integrity, in good faith and in the best interests of the Company as a whole;
- a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers;

- a requirement not to take advantage of ones position for personal gain, or the gain of their associates or to cause detriment to the Company;
- an obligation to be independent in their judgments;
- an obligation to maintain the confidentiality of Company information;
- an obligation to comply with the spirit, as well as the letter, of the law and with the principles of the Code.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

RECOMMENDATION 4.1

The Board of a listed entity should:

(a) have an audit committee which:

- (1) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and**
- (2) is chaired by an independent Director, who is not the chair of the Board, and disclose:**
- (3) the charter of the committee;**
- (4) the relevant qualifications and experience of the members of the committee; and**
- (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**

(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.

The Board has a formal audit committee which is comprised of four members all of whom are non-executive Directors. Two of the members are independent directors.

The Chair of the Audit Committee is an independent Director.

The Company has not adopted an Audit Committee Charter.

The Board has determined that role of the audit committee shall extend to:

- (i) monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;
- (ii) review the Company's internal financial control system and risk management systems;
- (iii) monitor, review and oversee the external audit function including, matters concerning appointment and remuneration, independence and non-audit services;
- (iv) monitor and review compliance with the Company's Corporate Governance Statement; and
- (v) perform such other functions as assigned by law or the Company's Constitution.

The audit committee may seek provision of educational information on accounting policies and other financial topics relevant to the Company to assist in fulfilling its duties. Further, the audit committee may seek explanations and additional information from the Company's external auditors, without management present, when required.

When considered necessary or appropriate, the audit committee may conduct or authorise investigations and may retain independent legal, accounting or other advisors.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an Annual Basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

RECOMMENDATION 4.2

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.

The Company's Executive Director and Finance Manager have reported in writing to the Board in respect of the half-year ended 31 December 2016 and the year ended 30 June 2017 confirming that:

- (i) the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards;
- (ii) the Company's financial statements are complete and present a true and fair view, in all material respects, of the financial condition and performance of the Company; and
- (iii) the above statement is founded on a sound system of internal control and risk management which implements the policies adopted by the Board and that the Company's risk management and internal controls are operating effectively in all material respects.

RECOMMENDATION 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.

The Company's external auditor attends the AGM and is available to answer questions from shareholders relevant to the conduct of the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 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.**

The Board has approved a Continuous Disclosure Policy. This policy outlines the disclosure obligations of the Company under the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. The policy is designed to ensure that procedures are in place so that ASX is properly informed of matters which may have a material impact on the price at which its securities are traded.

The Company is committed to:

- ensuring that all market participants have equal opportunity to receive externally available information issued by the Company;

- complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing rules;
- preventing the selective or inadvertent disclosure of material price sensitive information; and
- ensuring shareholders and the market are provided with full and timely information about the Company's activities.

The Company has procedures in place to identify matters that are likely to have a material effect on the price of the Company's securities and to ensure those matters are notified to the Australian Securities Exchange in accordance with its listing rule disclosure requirements.

The distribution of information to the market and media is handled by the Chairman, the Executive Director or the Company Secretary. The Company Secretary has been nominated as the person responsible for communications with Australian Securities Exchange. This role includes responsibility for compliance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules and overseeing and coordinating information disclosures to Australian Securities Exchange, analysts, brokers, shareholders the media and the public.

All disclosures to the Australian Securities Exchange will be posted on the Company's website soon after clearance has been received from the Australian Securities Exchange.

The Executive Director and Company Secretary will monitor information in the marketplace to ensure that a false market does not emerge in the Company's securities.

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.

Information about the Company and its governance are available on the Company's website. The Company's website provides detailed corporate information and has a specific section relating to corporate governance.

RECOMMENDATION 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company has designed a communications policy for promoting effective communication with shareholders and receive communication from shareholders, including by electronic means, and encouraging shareholder participation at general meetings and at the annual general meeting.

The Company recognises the value of providing current and relevant information to its shareholders. Information is communicated to shareholders through:

- continuous disclosure to the ASX of all material information;
- periodic disclosure through the annual report, half year financial report and quarterly reporting of activities;

- notices of meetings and explanatory material;
- the annual general meeting;
- periodic newsletters or letters from the Chairman or Executive Director; and
- the Company's web-site at www.landnhomesgroup.com

The Company is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market.

Investors and other stakeholders are invited to subscribe to an email alert facility on the Company's website so that they can receive material announcements which have been released by the Company to the market via email in a timely manner.

RECOMMENDATION 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.

The Company does not have formal policies or processes in place to facilitate or encourage participation at shareholder meetings. The Company will despatch a Notice of Meeting and Explanatory Statement to shareholders in accordance with statutory requirements. In addition details of any shareholder meeting will be posted on the Company's website.

At any meeting of shareholders, shareholders will be encouraged to ask questions of the Board of Directors in relation to the matters to be considered at such meeting and where appropriate relating to the operation of the Company.

RECOMMENDATION 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.

The Company provides shareholders with the option to receive communications from, and send communications to, the entity and its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION 7.1

The Board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- (1) has at least three members, a majority of whom are independent Directors; and**
- (2) is chaired by an independent director, and disclose:**
 - (3) the charter of the committee;**
 - (4) the members of the committee; and**
 - (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**

- (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.**

In light of the nature of the Company's operations, formal and informal policies for the oversight and management of the various business risks associated with the Company's activities are conducted at Board level and accordingly the Company has not established a formal committee to oversee risk.

The Board has adopted a Risk Management, Internal Compliance and Control Policy., which sets out the Company's risk management and control framework. Under the policy, the Board is responsible for the oversight of the Company's risk management and control framework and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board currently delegates day-to-day management of risk to the Executive Director, who is responsible for identifying, assessing, monitoring and managing risks.

In fulfilling the duties of risk management, the Executive Director may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board receives a periodic report from management as to the effectiveness of the Company's management of identified risks, including identified weaknesses or incidents.

RECOMMENDATION 7.2

The Board or a committee of the Board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and**
(b) disclose, in relation to each reporting period, whether such a review has taken place.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise or are identified.

The Board has not undertaken a formal review of the Company's risk management framework.

RECOMMENDATION 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or**
(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.

In light of the nature and extent of the Company's operations and activities, the Company has not established an internal audit function.

The Board continuously reviews the activities of the Group to identify key business and operational risks and, where possible, will implement policies and procedures to address such risks and where approval to establish appropriate internal control processes.

The Board is provided with regular reporting on the management of operations and the financial condition of the Company aimed at ensuring that risks are identified, assessed and appropriately managed as and when they arise.

RECOMMENDATION 7.4

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.

The Company does not have any material exposure to sustainability risks relating to economic, environmental and social matters.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1

The Board of a listed entity should:

- (a) have a remuneration committee which:**
 - (1) has at least three members, a majority of whom are independent Directors; and**
 - (2) is chaired by an independent director, and disclose:**
 - (3) the charter of the committee;**
 - (4) the members of the committee; and**
 - (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**
- (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.**

The Board has established a Nomination and Remuneration Committee.

The Committee is comprised of four members being Mr. Choon Keng Kho, Mr Chuan Thye Patrick Kho, Ms. Kwee Jee Lee and Mr. Kim Huat Koh of which only Ms. Lee and Mr. Koh are independent Directors. The Committee is chaired by Mr. Choon Keng Kho who is not an independent Director and is also Chairman of the Board.

The Committee has not yet established a formal charter.

Details relating to the relevant qualifications and experience of the members of the committee and the number of times the committee met throughout the reporting period and the individual attendances of the members at those meetings are set out on an Annual Basis in the Directors Report contained in the Company's Year End Financial Report which is released to the market and posted on the Company's website.

The Board has determined that the functions of the Nomination and Remuneration Committee extend to reviewing:

- (i) remuneration packages of executive Directors, non-executive Directors and senior executives; and**
- (ii) employee incentive and equity based plans including the appropriateness of performance hurdles and total payments proposed.**

RECOMMENDATION 8.2

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.

Details of remuneration, including the Company's policy on remuneration, will be contained in the "Remuneration Report" which will form part of the Company's Annual Report.

The Company's policy is to remunerate non-executive Directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive Directors is not linked to individual performance. From time to time the Company may grant performance rights or options to non-executive Directors. The grant of performance rights or options is designed to attract and retain suitably qualified non-executive Directors. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting.

There are no termination or retirement benefits for non-executive directors.

Executive remuneration consists of a base salary and performance incentives.

Short term performance incentives may be paid in cash and may be subject to the successful completion of performance hurdles agreed by the board.

Long term performance incentives may include options, performance rights, or other equity based products granted at the discretion of the Board subject to obtaining the relevant approvals. The grant of equity based products is designed to recognise and reward efforts as well as to provide additional incentive to continue those efforts for the benefit of the Company, and may be subject to the successful completion of performance hurdles.

Executives are offered a competitive level of base pay at market rates (for comparable companies), which are reviewed at least annually to ensure market competitiveness.

RECOMMENDATION 8.3

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 limit the economic risk of participating in the scheme; and**
- (b) disclose that policy or a summary of it.**

The Company has not established a formal equity based remuneration scheme.

The Company's Securities Trading Policy includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.