



IRONBARK CAPITAL

ABN 89 008 108 227

CORPORATE GOVERNANCE STATEMENT

IRONBARK CAPITAL LIMITED

30 JUNE 2019

The Board of Ironbark Capital Limited has adopted a system of corporate governance in accordance with the *ASX Corporate Governance Principles and Recommendations – 3rd edition* unless indicated. The Corporate Governance Statement provides a summary of those governance practices adopted by the Board. The Corporate Governance Statement dated 30 June 2019 has been approved by the Board on 22 August 2019.

The governance documents referred to in this statement are available in the Corporate Governance section on the Company's website www.ironbarkcapital.com/about/corporate-governance

Principle 1 – Lay solid foundations for management and oversight

Requirements of the Principle

Companies should establish and disclose the respective roles and responsibilities of board and management.

Role of the Board

- Sets the objectives and direction of the Company
- Monitors the Company's performance
- Assesses and manages business risk and compliance with the regulatory standards
- Oversees and assesses the performance of the Investment Manager
- Appoints the Company Secretary and oversees the responsibilities delegated to the Company Secretary
- Appoints, oversees and reviews the relationships with external service providers, and
- Sets the ethical standards for the Company.

Operation of the Board

The Board meets regularly and liaises monthly on financial and investment matters with the review of the financial statements, NTA, investment performance and compliance reports. The Company Secretary is responsible for providing and co-ordinating information to the Board.

Delegation to Management

The Company has no employees and has entered into an agreement with Kaplan Funds Management Pty Limited (KFM) to provide a range of management and administrative services including Company Secretary. The Company Secretary is directly accountable to the Board through the Chairman on all matters to do with the Board function. KFM is paid a fee for the costs in providing these services. Kaplan Funds Management Pty Limited is also the Investment Manager to the Company.

The Board approves all letters of engagement with external providers. In addition to the administrative and investment management functions, this includes custody, tax and audit.

Director Appointments

Prior to the appointment of a Director, the Board ensures the appropriate background checks are made before any appointment is made.

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Security holders are provided with all material information in its possession relevant to any decision on the re-election of a Director. Written agreements with each Director set out their roles and responsibilities.

Diversity Policy

The Board has a Diversity Policy which considers diversity to include factors such as gender, race, age, experience, religion, disability and cultural background. When a Board vacancy arises, the Board will consider the aforementioned factors when considering a suitable candidate. The appointment will ultimately be based on merit which will take into consideration the person's experience and ability to deliver the corporate goals of the Company. Currently, the Board has three Directors, all male, and a female Company Secretary. The Company has no employees.

Principle 2 – Structure the Board to add value

Requirements of the Principle

Companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

Structure of the Board

Directors' terms of appointment are set out by letter at the time of their appointment. Details of the Directors and their qualifications are set out in the Directors' Report in the Company's Annual Report.

The Directors are as follows:

- Michael Cole, Chairman, Non-Executive Director
- Ross Finley Non-Executive Director
- Ian Hunter, Non-Executive Director

To assist directors in their independent role, each Director has the right to seek independent professional advice at the Company's expense, subject to prior consultation with the Chairman, so that they can meet their responsibilities as independent directors. A copy of any advice is made available to all Directors.

Term of Office

The term of office up to the date of this report is as follows:

M. Cole 16 years

R. Finley 27 years

I. Hunter 16 years

Directors are required to seek re-election at least every three years. The Board currently comprises three directors, all non-executive and they have all been assessed as independent. Although a director has served in office for more than 10 years their independence is not compromised where all other criteria are met and where the Directors are not associated with the Investment Manager or its related entities. The Company has not drawn up a formal skills matrix setting out the mix of skills, however the broad attributes of a Director are considered prior to any appointment. All Directors are provided with access to continuing education opportunities to broaden their skills and knowledge enhancing their contribution to the Board.

Committees

The Board may establish committees to assist with its responsibilities. The Board has an Audit Committee responsible for the controls and risk management, accounting policies and financial reporting.

Due to the company's size, and with no company employees as the functions are outsourced, the remuneration and nomination committee activities are undertaken by the Board.

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The role of the Audit Committee is to review the financial information provided to shareholders and regulators, oversee and assess the audit function and oversee and manage the risk management framework and the controls therein. The Audit Committee meets at least two times per annum. The Chairman of the Board is not Chairman of the Audit Committee.

The Board reviews the composition of the Board and the appointment of Directors.

The Chairman meets with each Director individually at least annually to discuss issues including performance and effectiveness of the Board. This is part of the continuous review of Directors by the Chairman. The Directors review the performance of the Chairman.

The Board makes specific recommendations as to the appropriate remuneration based on independent advice and comparable organisations. This is reviewed annually.

The Charter of any committee is reviewed by the Board annually.

Principle 3 – Act ethically and responsibly

Requirements of the Principle

Companies should act in an ethical and responsible manner in all dealings.

Code of Conduct

The Board has adopted a Code of Conduct and Ethics requiring the Directors to act in the best interests of the Company and its shareholders with honesty, integrity and fairness in their dealings at all times. It also details how conflicts of interest should be avoided and the responsibility and accountability of individuals for reporting and investigating reports of unethical practises.

Whistleblower Policy

KFM has a whistleblower policy. Any incidents under this policy are required to be escalated directly to the Board.

Securities Dealing

The Securities Dealing Policy outlines the trading restrictions of the Directors ensuring no conflict of interest, and transparency in personal trading in the Company's securities. It prohibits trading during closed periods including when privy to market sensitive information, yet to be made public.

Principle 4 – Safeguard integrity in corporate reporting

Requirements of the Principle

Companies should have formal processes that independently verify and safeguard the integrity of its corporate reporting.

Declarations on the Financial Reporting

The Board reviews the financials and performance monthly and questions any unusual activity.

The Board receives from the Finance Manager and Company Secretary declarations half yearly indicating that the financial records have been properly maintained and the financial reports give a true and fair view of the results of the Company and are in accordance with the applicable accounting standards.

Audit Committee role

The Board has established an Audit Committee with three independent directors whose role it is to review the financial information provided to shareholders and regulators, oversee and manage the auditors and oversee and manage the risk management framework and the controls therein. The Audit Committee Charter sets out the roles and responsibilities of the Committee.

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External Auditor

The External Auditor attends the Company's Annual General Meeting to answer questions from shareholders relevant to the audit.

Principle 5 – Make timely and balanced disclosure

Requirements of the Principle

Companies are required to make timely and balanced disclosure to the market of all material matters concerning the Company expected to impact the price of its securities.

Continuous Disclosure

The Company is required as a listed Company to comply with the ASX Listing Rules on Continuous Disclosure. All information material to the Company's stakeholders is disclosed to the market in accordance with the rules. The Company Secretary is responsible for release of the information to the ASX and other regulators, with the ASX notifications available to all via the Company's website.

The Directors receive the information released to the ASX prior to its release.

Principle 6 – Respect the rights of security holders

Requirements of the Principle

Companies are required to provide security holders with the appropriate information to allow them to exercise their rights accordingly.

Shareholder Communication

The Board has a policy of actively communicating with its shareholders. It has adopted a Communications Policy outlining how shareholders will receive or obtain information about the Company to facilitate this communication. The Board encourages shareholders to take advantage of receiving the monthly ASX NTA announcements, Annual Report and other shareholder communications through electronic notification by the Share Registry or via the Company's website. The Company's primary means of communication is via the share registry, the ASX, its website and directly at the AGM. Any specific enquiries are dealt with by the Company Secretary and communicated to the Board as required.

Principle 7 – Recognise and manage risk

Requirements of the Principle

Companies are required to establish a sound risk management framework and regularly review its effectiveness.

Risk Management and Compliance

Due to the structure and size of the Company, it does not have a specific Risk Committee or an internal audit function. The Board through its Audit Committee is responsible for ensuring that systems are in place to identify, monitor and manage risks, and controls are in place to monitor and mitigate risks. The Board review of the risk management framework takes place at the end of each financial year. The Company Secretary and Finance Manager independently provide input to the effectiveness of the Company's framework as the administrative functions of the Company are outsourced.

Kaplan Funds Management Pty Limited as Investment Manager is required to act in accordance with the Board approved investment management agreement and reports to the Board monthly on the portfolio's performance, and proposed actions for the upcoming period.

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In addition, the Investment Manager is required to provide half-yearly a declaration that it has invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period.

Economic, Environmental and Social Sustainability Risk

The Company does not consider it has any material exposure to economic, environmental or social sustainability risks.

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Principle 8 – Remunerate fairly and responsibly

Requirements of the Principle

Companies are required to remunerate their directors appropriately to align to their responsibilities.

Remuneration of Directors

Due to the Company's size, Directors' fees are reviewed annually by the Board in accordance with the responsibilities and the activity within the Company. No director individually determines their remuneration. Details of directors' remuneration are set out in the Company's Annual Report.

The Company has no employees.