

# Eagle IG Limited (ACN 617 884 858)

## Corporate Governance Statement

The Board ("**Board**") of Eagle IG Limited ("**Company**") is cognizant of the need for a well-articulated and robust corporate governance framework and believes that good corporate governance is essential to the preservation and enhancement of Shareholder value.

The Company has adopted a NSX compliant constitution ("**Constitution**"). However, given the size of the Company, the Board is yet to formally adopt any other corporate governance policies. The Board will continually review the need for corporate governance policies, and to adopt them as and when the need arises in the future. Disclosure of these corporate governance policies will be given in accordance with the NSX Listing Rules and be made available on the Company's website at <http://www.eagleigtd.com>.

The Board endorses the recommendations contained in the ASX Corporate Governance Council's Principles and Recommendations, 3rd edition, 2014 ("**CG Recommendations**"). Those principles marked with ✓ have been implemented by the Company. Those principles marked with a ⊙ either have not been fully implemented or are to be addressed during the FY2017 reporting year. The commentary addresses the reasons for the departure from the requirements.

Principle 1 – Lay solid foundations for management and oversight		
1.1	The Company recognises that the overall responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. Given the size of the Company and the Board currently as at the date of this statement, the Board is yet to formally adopt a formal board charter. The Board will continually review the need for a board charter, and adopt it as and when the need arises in the future. Until then, the Company will continue to disclose the role and responsibility of the Board on its website and/or annual report.	⊙
1.2	Criminal record checks have not been carried out on all Board members prior to their appointment. However, all members of the Board have executed a declaration and undertaking, including the existence of any criminal conviction. The Company will provide Shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director at future general meetings	⊙
1.3	All Directors and senior executives have a written agreement with the Company or a member of the Group setting out the terms of their appointment.	✓
1.4	The Company Secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board.	✓
1.5	In establishing the Board and senior management team (" <b>Senior Management</b> "), regard was had to the objective of achieving gender diversity. The current Board consists of 1 female and 2 male directors, and the current Senior Management team consists of 1 female and 3 male managers.  The Board has not yet formally prepared a diversity policy or set measurable objectives but intends to do so following listing. In doing so, the Board will have regard to the CG Recommendations. Once finalised, the policy will be made available on the Company's website.	⊙
1.6 & 1.7	The performance of the Board will be subject to review in a number of ways:  <ul style="list-style-type: none"> <li>The Constitution provides that at every general meeting, one third of the Directors will retire from office but may stand for re-election;</li> <li>Board composition will be also reviewed periodically either when a vacancy arises or if it is considered that the Board would benefit from the services of a new Director, given the existing mix of skills and experience of the Board, which would match the strategic demands of the Company;</li> <li>Once it has been agreed that a new Director is to be appointed, a search will be undertaken and appropriate checks undertaken sometimes using the services of external consultants. Shareholders will be advised of all material information regarding a Director proposed for</li> </ul>	✓

	<p>election or appointment to the Board. Nominations would then be received and reviewed by the Board; and</p> <ul style="list-style-type: none"> <li>remuneration of the Non-Executive Directors is reviewed and approved by the Board. The remuneration payable to Directors must comply with the NSX Listing Rules.</li> </ul> <p>The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with the above process.</p>	
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## Principle 2 – Structure the Board to add value

2.1	<p>The Board has not yet formed a Nomination and Remuneration Committee ("NRC") as it considers that this is not currently required given the size of the Company and the relatively small management and employee team. The Board will continually review the need for a NRC and, if the need arises in the future, will ensure that it is in compliance with the CG Recommendations.</p> <p>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 performance of the Board will be reviewed as set out under Principles 1.5-1.7 above.</p>	⊙
2.2	<p>In establishing the Board, regard was had to the skills and expertise required of the Directors relevant to the Company's business, its Listing in Australia and operations in China. Directors with the desired skills and expertise were carefully selected for appointment to the Board.</p>	✓
2.3 & 2.4	<p>The Board is comprised of three members, one of whom is independent. Timothy Lawlor Wall is considered independent as he does not have any shareholding in the Company and is not an adviser or supplier to the Company or does not have any other material contractual relationship with the Company other than his position as a Director.</p> <p>The Company Constitution requires that each Director must not hold office (without re-election) past the third annual general meeting following his/her appointment or election or 3 years, whichever is longer.</p> <p>The Company has considered the recommendation of having a majority of the Board as independent Directors. However, the Board considers the Company's immediate requirements as it transits to a NSX-listed company and is satisfied that the composition of the Board reflects an appropriate range of independence and skill and experience in the period immediately after Listing on the NSX. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the Company.</p>	⊙
2.5	<p>The Company has not yet appointed a Chairman. However, if and when it does, it will ensure that the Chairman is an independent Director and facilitates the effective contribution of all Directors at Board meetings. The roles of Chair and Executive Director are exercised by different individuals.</p>	⊙
2.6	<p>All Non-Executive Directors have had an extensive induction into the business of the Company prior to accepting their appointment and have received continuing information on the Company and its operations since being appointed. The induction process has included site visits in China and presentations by management.</p> <p>Directors are also given access to continuing education in relation to the Company extending to its business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.</p>	✓

## Principle 3 – Act ethically and responsibly

3.1	<p>The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company intends to maintain a reputation for integrity. The Company's officers and employees are required to act in accordance with the law and with the highest ethical standards.</p>	⊙
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	<p>The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to enable a full and frank discussion of the matter(s) under consideration by the rest of the Board.</p> <p>The Board has not yet adopted a formal code of conduct as it considers that this is not currently required given the size of the Company and the relatively small management and employee team. The Board will continually review the need for a code of conduct and, if the need arises in the future, will ensure that it is in compliance with the CG Recommendations.</p>	
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#### Principle 4 – Safeguard integrity in financial reporting

4.1	<p>To safeguard the integrity of the Company's corporate reporting, the Company Constitution sets out the following:</p> <ul style="list-style-type: none"> <li>Auditors of the Company are appointed and removed and their remuneration, rights and duties are regulated by the <i>Corporations Act 2001</i> (Cth) ("<b>Act</b>");</li> <li>Auditors of the Company or partner or employee or employer of an auditor cannot be appointed as a Director of the Company; and</li> <li>Financial statements of the Company for each financial year must be audited by the auditors in accordance with the Act.</li> </ul> <p>The Board has not yet formed an audit and risk committee (<b>ARC</b>) as it considers that this is not currently required given the size of the Company and the relatively small management and employee team. The Board will continually review the need for a ARC and, if the need arises in the future, will ensure that it is in compliance with the CG Recommendations.</p>	⊙
4.2	<p>The Board has not yet had to approve the entity's financial statements for a financial period and accordingly has not been required to receive relevant declarations from the CEO and Chief Financial Officer ("<b>CFO</b>") in respect of the financial records of the Group. It is the intention of the Board that these declarations will be required for both the half-year and full-year results and this fact has been communicated to both the CEO and CFO</p>	⊙
4.3	<p>Eagle IG has not yet held an Annual General Meeting (<b>AGM</b>) but it is the intention of the Board to ensure that its external auditor attends the AGM and is available to answer questions from security holders relevant to the audit.</p>	⊙

#### Principle 5 – Make timely and balanced disclosure

5.1	<p>The Board has not yet adopted a continuous disclosure policy but intends to do so after listing. In preparing this, the Board will have regard to the CG Recommendations. Once finalised, the policy will be made available on the Company's website.</p>	⊙
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#### Principle 6 – Respect the rights of Shareholders

6.1	<p>The Company has established an English website which provides information about the Company, its Directors and executives, and other information relevant to its investors. The website will be a key communication tool between the Company and the Shareholders.</p>	✓
6.2	<p>The Board has not yet designed and implemented an investor relations program to facilitate effective two-way communication with investors but intends to do so after listing. In preparing this, the Board will have regard to the CG Recommendations. Once finalised, the program will be made available on the Company's website.</p>	⊙
6.3	<p>The Board has not yet adopted a disclosure and communication policy but intends to do so after listing. In preparing this, the Board will have regard to the CG Recommendations. Once finalised, the policy will be made available on the Company's website.</p>	⊙
6.4	<p>All Shareholders of Eagle IG will be able to communicate with the Company and its share registry</p>	

	electronically and in fact this method of communication is encouraged.	
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#### Principle 7 – Recognise and manage risk

7.1	The Board has not yet formed an audit and risk committee ( <b>ARC</b> ) as it considers that this is not currently required given the size of the Company and the relatively small management and employee team. The Board will continually review the need for a ARC and, if the need arises in the future, will ensure that it is in compliance with the CG Recommendations.	⊙
7.2	The risk management framework for the Group has not yet been formally reviewed by the Board but the Board has requested a report from management by December 2017. Outcomes of those reviews will be reported in the corporate governance statement annually.	⊙
7.3	<p>The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will be the responsibility of the Board. The Board reviews and monitors the parameters under which such risks will be managed. Management accounts are prepared and reviewed with the CEO at subsequent Board meetings. Budgets are prepared and compared against actual results. The potential exposures with running the Company will be managed by the appointment of senior staff that have significant broad-ranging industry experience, work together as a team and regularly share information on current information.</p> <p>The Board has not yet formed an internal audit function as it considers that this is not currently required given the size of the Company and the relatively small management and employee team. The Board will continually review the need for a ARC and, if the need arises in the future, will ensure that it is in compliance with the CG Recommendations.</p>	⊙
7.4	As mentioned under Principle 7.2, the Board expects a report on the risk management framework by December 2017 and has requested that management address economic, environmental and sustainability risks. The outcome of that review will be reported in the Company's annual report.	⊙

#### Principle 8 – Remunerate fairly and responsibly

8.1	<p>As mentioned under Principle 2.1, the Board has not adopted a NRC. To ensure the appropriateness of remuneration, the Company Constitution sets out the following:</p> <ul style="list-style-type: none"> <li>• Remuneration of Non-Executive Directors must comply with NSX Listing Rules, including that: <ul style="list-style-type: none"> <li>○ fees payable to Non-Executive Directors must be by way of a fixed sum, and not by way of commission on or a percentage of profits or operating revenue;</li> <li>○ the remuneration payable to Executive Directors must not include a commission on or percentage of operating revenue; and</li> <li>○ the total fees payable to Directors must not be increased without the prior approval of members in general meeting.</li> </ul> </li> <li>• Remuneration of Executive Directors must comply with the NSX Listing Rules and the terms of any agreement entered into. The Board may fix the remuneration of each Executive Director which comprise salary or commission on or participation in profits of the Company.</li> </ul>	⊙
8.2	As mentioned under Principle 8.1, the Board has practices in place regarding the remuneration of Non-Executive Directors and other senior executives.	✓
8.3	The Board has not yet adopted a securities trading policy as it considers that this is not currently required give the size and circumstances of the Company. The Board will continually review the need for such a policy and, if the need arises in the future, will ensure that it is in compliance with the CG Recommendations.	⊙