

Corporate Governance Statement - Maas Group Holdings Limited 632 994 542

Maas Group Holdings Limited (**MGH**) is committed to achieving and demonstrating effective standards of corporate governance. MGH has reviewed its corporate governance policies against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council (**Recommendations**). This Corporate Governance Statement discloses the extent to which MGH complies with the Recommendations and if it does not, why not. The commentary addresses the reasons for any departure from the requirements and the following legend has been used to summarise the status of MGH's compliance with the Recommendations.

This Corporate Governance Statement is dated 22 October 2020 reflects the corporate governance policies in place and was approved by the Board on that date.

MGH complies with the Recommendation	✓
MGH intends to comply with the Recommendation and will work towards compliance in the 2021 financial year	✗
MGH intends to monitor the Company's size and needs in respect of the Recommendation	○

Principle 1 – Lay solid foundations for management and oversight		
1.1	The Board has outlined in its charter, its role and responsibilities and has established a clear distinction between its functions and those delegated to management.	✓
1.2	Appropriate checks including criminal record checks and bankruptcy checks have been carried out on all Board members prior to their appointment. MGH 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 MGH setting out the terms of their appointment.	✓
1.4	MGH's secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.	✓
1.5	The Board has adopted a Diversity Policy (a copy of which will be published on MGH's website). The Diversity Policy requires that the Board set measurable objectives for obtaining gender diversity. The Board intends to set measurable objectives annually for achieving gender diversity, and will each year report the Company's progress toward achieving them. MGH will monitor its compliance with the measurable objective for achieving gender diversity applicable to entities in the S&P/ASX300 with respect to the composition of its Board as required.	✓
1.6	The Remuneration and Nomination Committee (RNC) is required to develop and implement a process for periodically evaluating the skills, performance, and effectiveness of the Board, its committees and its individual members. The Company intends to disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	✓
1.7	Performance reviews for Executive Directors and senior management will take place at least annually. The RNC has accountability in its charter to oversee these reviews and report to the Board on their outcomes. The Company intends to ensure the appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.	✓

Principle 2 – Structure the board to be effective and add value		
2.1	<p>The RNC charter will be published on the Company's website. The RNC charter clearly sets out the role of the committee and confers on it the necessary powers to perform that role. The RNC is comprised of Michael Medway (Chair), Neal O'Connor and Stephen Bizzell. The Board considers the RNC is sufficient size to meet the requirements of the business without being so large as to be unwieldy.</p> <p>Recommendation 8.1 states that a remuneration committee should have at least three members, a majority of whom are independent directors and Recommendation 2.1 states that a nomination committee should have at least three members, a majority of whom are independent directors. The Board considers that the RNC including Neal O'Connor, who is considered by the Board to be an independent Director, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee. MGH will also monitor its compliance with Listing Rule 12.8. The RNC will report the number of times it met throughout each reporting period, and the individual attendances of the members at those meetings.</p>	○
2.2	In establishing the MGH Board, consideration has been given to the skills and expertise required of the Directors relevant to MGH's business. Directors with the desired skills and expertise have been carefully selected for appointment to the Board. The Company will publish on its website a Board Skills Matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership. Directors with the desired skills and expertise have been carefully selected for appointment to the Board.	✓
2.3	<p>The Board Charter sets out the criteria adopted by the Board for considering if a director is independent. A director is considered an independent director if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.</p> <p>The Board will be comprised of five members, two of whom are independent. Neal O'Connor and Stewart Butel will be appointed to the Board and will be considered to be independent Directors. Neither of them have a material shareholding of over 5% in the Company or is an adviser or supplier or associated with an adviser or supplier to the Company, nor has any other material contractual relationship with the Company other than their position as a Director. Each director will be appointed prior to MGH's listing.</p>	✓
2.4	Despite non-compliance with ASX Recommendation 2.4, which provides that the Board should be comprised of a majority of independent Directors, the Board considers that its proposed composition is appropriate in light of the Company's operations and size. All of the Directors believe that they will be able to, individually and collectively, analyse the issues before them objectively and in the best interests of Shareholders and in accordance with their duties as Directors. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the Company.	○
2.5	Stephen Bizzell is a Non-Executive Director and Chair of the Company. He is not independent, but he is an experienced chair, has extensive listed company experience and the Board considers that his knowledge of the Company and of the industry is valuable to the role of chair and particularly important when the Company is first listed.	○
2.6	All Non-Executive Directors will 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 presentations by Management. Directors will be 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.	
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly.		
3.1	The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which will be disclosed on the Company's website. The statement of values has been set out in the code of conduct as well.	✓
3.2	As above, the Company has adopted a code of conduct for its Directors and will ensure that the board or a committee of the board is informed of any material breaches of that code.	✓
3.3	The Company has adopted a whistleblower policy and ensures that the Board is informed of any material incidents reported under the policy, a copy of which will be disclosed on the Company's website	✓
3.4	The Company has adopted an anti-bribery and corruption policy and ensures that the Board is informed of any material incidents reported under the policy, a copy of which will be disclosed on the Company's website.	✓
Principle 4 – Safeguard integrity in corporate reporting		
4.1	The Board has established an audit and risk committee (ARC). The ARC is comprised of Neal O'Connor, Michael Medway and Stephen Bizzell, all of whom are Non-Executive Directors. Neal O'Connor, an independent director who is not chair of the Board, is chair of the ARC. The ARC will report the number of times it met throughout each reporting period, and the individual attendances of the members at those meetings. A copy of the ARC charter will be published the Company's website. The Company considers that, while a majority of the ARC are not independent Directors, ARC is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee. MGH will continue to monitor its compliance with Listing Rule 12.7.	○
4.2	The Board will approve 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, 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.	✓
4.3	The Company will disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	✓
Principle 5 – Make timely and balanced disclosure		
5.1	The Board has established a written Disclosure and Communication Policy to ensure compliance with the ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The Disclosure and Communication Policy will be published on MGH's website.	✓
5.2	The Company will ensure that its Board receives copies of all material market announcements promptly after they have been made.	✓
5.3	It is the intention of the Company that in the event that the Company gives a new and substantive investor or analyst presentation, the Company will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	✓
Principle 6 – Respect the rights of security holders		

6.1	The Company has established a website which will provide information about the Company, directors and executives, key governance policies and other information relevant to its investors. The website will be a key communication tool between the Company and the Shareholders.	✓
6.2	MGH is committed to facilitating effective communication with investors as a means of providing a greater understanding of the MGH business, governance, financial performance and prospects. Key aspects of MGH's investor relations framework include: <ul style="list-style-type: none"> • access to MGH's board and executives at General Meetings; • two-way investor teleconferences held on reporting full-year financial results; • periodic investor relations road-shows for institutional investors; • contact details provided on market announcements where investors can seek further information; and • maintenance of an investor relations database to manage and track communications with investors. 	✓
6.3	The Board has adopted the Disclosure and Communication Policy and will provide shareholders with opportunities to have questions addressed at shareholder meetings, irrespective of whether the shareholder is able to attend. A copy of the Disclosure and Communication Policy will be published on the Company's website	✓
6.4	All substantive resolutions at a meeting of shareholders will be decided by a poll rather than a show of hands.	✓
6.5	All shareholders of MGH will be able to communicate with MGH and its share registry electronically and this method of communication will be encouraged.	✓
Principle 7 – Recognise and manage risk		
7.1	As noted in 4.1 above, the Board has established an ARC. The ARC is comprised of Neal O'Connor, Michael Medway and Stephen Bizzell, all of whom are Non-Executive Directors. Neal O'Connor is the chair of the Committee, who is an independent director and is not chair of the Board. The ARC will report the number of times it met throughout each reporting period, and the individual attendances of the members at those meetings. A copy of the ARC charter will be published on the Company's website. The Company considers that, while a majority of the ARC are not independent Directors, the ARC is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.	✓
7.2	The ARC will: <ul style="list-style-type: none"> • review the entity's risk management framework at least annually to satisfy itself that it continues to • be sound and that the entity is operating with due regard to the risk appetite set by the Board; and • disclose, in relation to each reporting period, whether such a review has taken place. 	✓
7.3	MGH does not have an internal audit function. The Board is of the view that it is not cost effective to have an internal audit function at this point in time given the size of the business. This decision will however be kept under review. The Board, through the ARC, will work with management to review the management assurance function, to provide assurance to the Board on the effectiveness of internal controls and to recommend improvements to those controls. Where necessary independent third parties will be requested to undertake audits of specific parts of the business.	○
7.4	The material risks that MGH is exposed to will be disclosed in the Prospectus and these include disclosure of any economic, environmental and social sustainability risks it faces. Management of the risks will form part of the review of the risk management framework undertaken by the ARC.	✓

Principle 8 – Remunerate fairly and responsibly		
8.1	As noted in 2.1 above, the Board has formed a RNC and the RNC charter will be published on the Company's website. The RNC charter clearly sets out the role of the committee and confers on it the necessary powers to perform that role. The RNC is of a sufficient size to meet the requirements of the business without being so large as to be unwieldy. Recommendation 8.1 states that a remuneration committee should have at least three members, a majority of whom are independent Directors and Recommendation 2.1 states that a nomination committee should have at least three members, a majority of whom are independent Directors. The Board considers that the RNC including Neal O'Connor, who is considered by the Board to be an independent Director, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee. The RNC will report the number of times it met throughout each reporting period, and the individual attendances of the members at those meetings.	○
8.2	The remuneration policy and amounts paid to executive and non-executive Directors will be found within the Directors' Report in the Annual Report.	✓
8.3	MGH does not currently have an equity-based remuneration scheme in place.	✓
Additional Recommendations that apply only in certain cases		
9.1	MGH Board and shareholder meetings are all held in English. All Directors are fluent in English and therefore able to understand and contribute to the discussions at these meetings and understand and can discharge their obligations in relation to corporate documents. This recommendation is therefore not applicable.	N/A
9.2	MGH is established in Australia and meeting times cater to Australian shareholders. This recommendation is therefore not applicable.	N/A
9.3	MGH is established in Australia and is not an externally managed listed entity therefore this recommendation is not applicable.	N/A