

Corporate Governance Statement

For the year ended 31 December 2018

Investing in Australia's future generation

ABN: 52 606 110 838

Corporate Governance Statement

The Future Generation Global Investment Company Limited (FGG or the Company) Board of Directors is responsible for the corporate governance of the Company. The Board has followed the principles and best practice recommendations established by the ASX Corporate Governance Council with regard to the nature of the Company's activities and its size. The Company has adopted the ASX Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) for the 2018 financial year, subject to the exceptions noted below.

Principle 1: Lay solid foundations for management and oversight (Recommendations 1.1 to 1.7)

The Company's Board Policy sets out the specific responsibilities of the Board. The Investment Committee Charter provides details of responsibilities delegated to the Investment Committee. The role of the Board is to monitor and set the Company's strategic direction and charitable purpose. The Board is also responsible for the overall corporate governance of the Company, as well as risk management and reporting.

The Investment Committee manages the Company's investment portfolio and is responsible for selecting fund managers with whom the Company will invest capital as well as any occasional direct investments made by the Company. The Investment Committee make disinvestment decisions as required.

Both the Company's Board Policy and Investment Committee Charter are contained in the Company's Corporate Governance Charter which is available at futuregeninvest.com.au.

The Company's Board Policy requires that when a vacancy arises on the Board, the Board considers (among other things); the skills and experience of any proposed Director, the relevance and appropriateness of these skills, a comparison of the proposed Director and members of the current Board's expertise and experience together with the results of any background checks undertaken. The Board will ensure that security holders are provided with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. The Company's Board Policy is contained in the Company's Corporate Governance Charter which is available at futuregeninvest.com.au.

The terms of appointment have been recorded in a letter of appointment and are in accordance with the Company's Constitution, the *Corporations Act 2001* and ASX Listing Rules.

The Company Secretaries, Kate Thorley and Mark Licciardo, are directly accountable to the Board through the Chairman.

The Company has a Diversity Policy designed to support its commitment to fair and equitable representation. The Company's Diversity Policy requires the Board to develop measurable objectives and strategies to meet the objectives of the Company's Diversity Policy, including ensuring 50% female representation on the Board at all times. The Board currently has 60% female representation. The Company's Diversity Policy is contained in the Company's Corporate Governance Charter which is available at futuregeninvest.com.au.

The Company is not a relevant employer under the Workplace Gender Equality Act.

The process for periodically evaluating the performance of the Board is set out in the Company's Corporate Governance Charter. The Board is responsible for undertaking an annual performance evaluation of itself and its members in light of the Company's Corporate Governance Charter. A copy of the Company's Corporate Governance Charter is available at futuregeninvest.com.au.

The Board completed a review of its performance during 2018.

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The Company has a Chief Executive Officer (CEO). The process for periodically evaluating the performance of the CEO is set out in the Company's Corporate Governance Charter. The performance of the CEO is evaluated on an annual basis.

Principle 2: Structure the board to add value (Recommendations 2.1 to 2.6)

The Board will be responsible for the nomination of new Directors. The Company's Directors provide their services on a pro bono basis and it is intended to continue to operate in that manner.

The Board identifies suitable candidates to fill vacancies as they arise with consideration to the optimal mix of skills and diversity. The Board's selection process is outlined in the Board Policy, which is contained in the Company's Corporate Governance Charter which is available at futuregeninvest.com.au.

The qualifications, skills, experience and expertise relevant to each Director in office and their attendance at Board and Committee meetings are shown in the Directors' Report in the Annual Report.

The Board is comprised of five members, four of whom are considered to be independent and therefore complies with the best practice recommendation that Boards contain a majority of independent non-executive Directors:

- Belinda Hutchinson AM (Chairman) – Independent
- Frank Casarotti – Independent
- Geoff Wilson AO – Non-Independent
- Kiera Grant – Independent
- Sarah Morgan – Independent

The Company has disclosed the interests of the current Directors and the appointment date and length of service of each Director in the Directors' Report in the Annual Report.

Belinda Hutchinson is the Chairman of the Board and is independent. Louise Walsh is employed as the CEO of the Company.

Under the Company's Board Policy, the Company Secretary is responsible for arranging each new Director to undertake an induction program, including ensuring that they gain an understanding of their rights, duties and responsibilities as a Director. The contents of the induction policy are outlined in the Company's Board policy, which is contained in the Company's Corporate Governance Charter which is available at futuregeninvest.com.au.

Principle 3: Act ethically and responsibly (Recommendation 3.1)

The Company has adopted a formal Code of Conduct. This is incorporated in the Company's Corporate Governance Charter. The Company requires Directors and Executives to comply with the standards of behaviour and business ethics in accordance with the law and the code of conduct. These include acting honestly and with integrity and fairness in all dealings. The Company's Corporate Governance Charter is available on the at futuregeninvest.com.au.

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Principle 4: Safeguard integrity in corporate reporting (Recommendations 4.1 to 4.3)

The Company has an Audit and Risk Committee to provide assistance to the Board in fulfilling its responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and the external audit function. The members of the Audit and Risk Committee are:

- Sarah Morgan (Chairman) – Independent
- Belinda Hutchinson AM – Independent
- Geoff Wilson AO – Non-Independent

The Audit and Risk Committee Charter requires the Chairman of the Audit and Risk Committee to be independent.

Details of the Directors' qualifications and their membership and attendance at Audit and Risk Committee meetings are set out in the Directors' Report in the Annual Report.

The Audit and Risk Committee Charter is included in the Company's Corporate Governance Charter and is available at futuregeninvest.com.au.

The CEO and the Company's external accountant provides written confirmation to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results. These are in accordance with relevant accounting standards.

The external auditors are requested to attend each Annual General Meeting and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the auditor's report.

Principle 5: Make timely and balanced disclosure (Recommendation 5.1)

The Company has adopted a Continuous Disclosure Policy designed to promote transparency and investor confidence and ensure that all interested parties have an equal opportunity to obtain information which is issued by the Company.

The Company's Continuous Disclosure Policy is contained in the Company's Corporate Governance Charter which is available at futuregeninvest.com.au.

Principle 6: Respect the rights of security holders (Recommendations 6.1 to 6.4)

The Company's website has a dedicated news section and endeavours to ensure all important company information and relevant announcements made to the market are available on the website.

The Company is committed to:

- ensuring that shareholders and financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the monthly investment updates, annual and half yearly reports, semi-annual shareholder presentations, investment forums, investor conference calls, ASX announcements, monthly investor newsletters, Annual General Meetings and the Company's website;
- complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the *Corporations Act 2001*; and
- encouraging shareholder participation at Annual General Meetings and at presentations which offer an opportunity to meet with the fund managers and charities.

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The Board encourages full participation of shareholders at the Company's Annual General Meeting and any other general meetings to ensure a high level of accountability and understanding of the Company's strategy. An external auditor is invited to attend each Annual General Meeting and is available to answer any questions concerning the conduct, preparation and content of the auditor's report.

The Company's registrar, Boardroom Pty Limited, will provide the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at: clientonline.com.au.

Principle 7: Recognise and manage risk (Recommendations 7.1 to 7.4)

The Board of Directors takes a proactive approach to the Company's risk management and internal compliance and control system.

The Audit and Risk Committee is responsible for ensuring that risks and mitigation of these risks are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified.

Details of the Directors' qualifications, their membership and attendance at Audit and Risk Committee meetings are set out in the Directors' Report in the Annual Report.

The Audit and Risk Committee will review the adequacy and effectiveness of the Company's risk management framework by gaining assurances that major risks have been identified and are appropriately managed. The Audit and Risk Committee also oversees market risk protocols and ensures the Investment Committee complies with the asset allocation restrictions.

The Company does not have an internal audit function. An Audit and Risk Committee has been established and reviews the internal control processes as necessary. The Board works closely with all of its service providers to identify and manage operational, financial and compliance risks.

A summary of risks including foreign exchange, interest rate, credit and liquidity are included in Note 17 of the Annual Report.

Principle 8: Remunerate fairly and responsibly (Recommendations 8.1 to 8.3)

The Company has one employee being the CEO. The Company does not have a need for a remuneration committee. The remuneration of the CEO is considered by the Board. Given the charitable nature of the Company, the Directors have chosen not to receive Director fees.

The details of the remuneration paid to the CEO are included in the Remuneration Report section of the Annual Report.

The Company does not have an equity based remuneration scheme.

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