

Centrepont Alliance Limited

(ABN 72 052 507 507) (the “Company”)

CORPORATE GOVERNANCE STATEMENT

CENTREPOINT ALLIANCE LIMITED

CORPORATE GOVERNANCE STATEMENT – 2020

This statement reports on the main corporate governance practices of Centrepont Alliance Limited (**Centrepont** or the **Company**) as at 19 August 2020. References in this statement to “reporting period” are to the financial year ended 30 June 2020.

Corporate Governance Policies and Practices

The Company’s Board of Directors (**Board**) is responsible for establishing the corporate governance framework of the Company and its subsidiaries (**Group**). The Board guides and monitors the business and affairs of the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

Key aspects of the Company’s corporate governance are set out below and, with the exception of those matters to which specific reference is made, the Company has followed the ASX “Corporate Governance Principles and Recommendations” 3rd Edition (**Recommendations**). Many of the detailed provisions of the Recommendations are embedded in the Company’s corporate policies and are not repeated in this statement.

For further information on the Company’s corporate governance policies and charters, please go to <http://www.centrepontalliance.com.au/investor-centre/corporate-governance/>.

Information on directors, meetings and attendance are available in the Directors’ Report in the Annual Financial Report.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Roles and responsibilities of the Board and Management

The Board has established structures, policies and systems to clearly define the respective roles of the Board and management and to clearly reserve certain functions and powers to the Board.

The activities of the Board are governed by a Board Charter that sets out requirements relating to membership, independence, operations and responsibilities. The Board has the following key responsibilities:

- overall guidance – including the determination of strategic and financial objectives;
- risk management oversight – including reviewing and approving the risk appetite statement and risk management plans;

- effective oversight of management – including the oversight and monitoring of policies and resources; and
- ensuring compliance with the Company's Constitution

to achieve the Company's strategies and financial objectives.

The Company's Constitution and the Company's Board Charter are available on the Company's website.

The Board has particular responsibility for the appointment, remuneration and performance review of the Chief Executive Officer (**CEO**) as well as oversight of the engagement of executives, including the Company Secretary.

The Company Secretary is directly accountable to the Board, through the Chairman, on all matters related to the proper functioning of the Board as detailed in the Board Charter.

There are procedures in place, agreed by the Board to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

Board Committees

To assist in carrying out its responsibilities, the Board has delegated authority to the following Committees:

- Group Audit, Risk and Compliance Committee; and
- Nomination Remuneration & Governance Committee.

Each Committee has adopted a formal charter that outlines its duties and responsibilities. A copy of each of the Committee charters is available on the Company's website.

Delegation to management

The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of the Company and the authority to control its affairs other than those responsibilities specifically reserved to the Board in the Board Charter.

The Board may impose further specific limits on the Chief Executive Officer's delegations and delegate through the Chief Executive Officer to other executives in the Company. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time.

Director Election and Re-election

The Company undertakes appropriate checks, including checks on character, experience, education and skills, criminal record and bankruptcy history before appointing a Director. The Company provides shareholders with details of all material information relevant to a decision on whether to elect or re-elect a director.

The Company has written agreements with each director and executive setting out their terms of appointment.

Diversity

The Board is committed to creating an inclusive workplace where everyone is treated equally and fairly and where discrimination, harassment and inequity are not tolerated. The Company has a Diversity Policy and an Anti-Discrimination & Equal Employment Opportunity Policy and these are reviewed regularly.

Diversity objectives have been established to assess progress towards the Board's commitments including:

- Promoting an inclusive culture which treats the workforce with fairness and respect (the Company has set a zero tolerance against discrimination of employees);
- Providing career development opportunities for all employees irrespective of gender, cultural or other differences (the Company encourages training and advancement for all employees through regular reviews and assessments); and
- Monitoring and reporting on the percentage of females in the workforce and in senior executive positions. Currently 50% of employees and 29% of executives are female. Executives are defined as the Chief Executive Officer and the Chief Executive Officer's direct reports.

The composition of the Board is reviewed on an annual basis and in the event a vacancy arises, the Board Charter requires that diversity be considered as part of the criteria in assessing candidates. As at the date of this Statement, the Board is composed of four male directors, and two male company secretaries.

The Company continues to review and update the measurable objectives to promote diversity for the future.

The Company's Diversity Policy, Anti-Discrimination & Equal Employment Opportunity Policy and Board Charter are available on the Company's website. The Company's annual report to the WGEA for the year ended 30 June 2020 has been submitted and is available on the WGEA website at: <https://www.wgea.gov.au/report/public-reports>.

Evaluation of the performance of the Board, its committees, individual directors and executives

A performance evaluation of the Board, each of its committees and individual Directors is undertaken on an annual basis.

The Group Audit, Risk and Compliance Committee and the Nomination, Remuneration and Governance Committee generally conduct their own annual assessments in accordance with their charters.

On an annual basis the Nomination, Remuneration and Governance Committee and ultimately the Board review the performance of the Chief Executive Officer and individual Directors. The criteria used to review individual Directors may include assessment of relevant skills and characteristics, tenure, diversity, industry knowledge, experience and expertise. The criteria used to assess the Chief Executive Officer may include underlying profit, customer retention and engagement, as well as development of organizational capability and business sustainability.

The Charters of the Group Audit, Risk and Compliance Committee and the Nomination, Remuneration and Governance Committee are available on the Company's website.

On an annual basis the performance of executives is reviewed against Group profit (EBITDA) and agreed key performance indicators.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Nomination, Remuneration and Governance Committee (NRGC)

The combination of nomination, remuneration and governance responsibilities in one committee and the composition of this Committee is a decision of the Board and reflects the relative size of the Company and the Board and the interlocking nature of these responsibilities in the financial services sector.

Overall, the Committee is responsible for:

- the Company having appropriate corporate governance measures in place;
- setting policy and strategy for the appointment, compensation and performance review of Directors and executives;
- approving executive service agreements and severance arrangements; and
- overseeing use of equity-based compensation and ensuring appropriate communication and disclosure practices are in place.

Specific nomination duties and responsibilities include:

- assisting and advising the Board with regard to appointments, terminations and succession planning of Directors and executives;
- assessing necessary competencies of Directors and executives; and
- reviewing the performance of Directors in accordance with evaluation criteria.

Specific remuneration duties and responsibilities include:

- assisting and advising the Board with regard to remuneration policies and strategies;
- setting the framework for remuneration of the Directors and executives; and
- approving and monitoring company incentive schemes and equity based remuneration arrangements.

Specific governance duties and responsibilities include:

- developing and reviewing corporate governance policies; and
- advising the Board on regulatory and compliance issues, with particular reference to disclosures under the ASX Listing Rules.

Due to the relative size of the Company and the Board, this Committee consists of two directors, both of whom are independent non-executive Directors. The NRGC is chaired by Martin Pretty who is an independent non-executive Director and he is not the Chairman of the Board. The Committee operates under a charter approved by the Board, which is reviewed at least annually. The details of the members of this Committee are available on the Company's website.

A copy of the Charter is available on the Company's website.

The NRGC met two times during the 2020 Financial Year. The individual attendance of members at the meetings of this Committee are set out in the Company's Annual Financial Report.

Board Skills Matrix

The Board has developed a skills matrix to identify the required skills and experience of Directors and as a guide to the skills and experience required of future Directors.

The skills, experience and expertise of each Director are set out in their biographies which are available on the Company's website.

The Board has approved the following board skills matrix which sets out the skills and diversity that the Board currently has or is looking to achieve in its membership. The Directors have been assessed against the skills matrix. The Board skills matrix will continue to develop as strategy develops. All areas of the skills matrix are currently represented on the Board.

Business skills and knowledge

- Strategy
- Financial literacy / acumen
- Risk management and compliance
- Legal
- Managing people / achieving change

Industry skills and knowledge

- Credit services
- Financial markets and services, including AFSL
- Investment services

Formal Qualifications

- Accounting and/or finance
- Economics, law, commerce and/or business
- Financial services
- Marketing

Corporate Experience

- Advertising / social media
- Board experience (listed and non-listed)
- Business development
- Customer service
- Director qualifications / training
- Corporate leadership / executive management
- Governance
- Information management
- Marketing
- Mergers and acquisitions
- Professional membership
- Project management
- Regulatory policy
- Remuneration
- Social responsibility

Structure of the Board

Name	Position	Term in Office*
Alan Fisher	Chairman & Independent Non-Executive Director	4 years
Martin Pretty	Independent Non-Executive Director	6 years
Georg Chmiel	Independent Non-Executive Director	3 years
Sandy Beard	Independent Non-Executive Director	8 months

* Completed years of service as at the date of this report

Board Composition

Biographies of the Directors are contained in the Directors' Report and on the Company's website <http://www.centrepoinalliance.com.au/about-us/board-of-directors/>.

The entire Board (including the Chairman) is independent. Mr Beard is a substantial shareholder of the Company. However, the Board has considered the guidance provided by Box 2.3 of the Corporate Governance Principles and Recommendations and formed the view his interest does not interfere with his capacity to bring an independent judgment to bear on the issues before the Board and act in the best interests of the Company.

The Company has an induction program for new directors. It encourages professional development and has policies for payment for the ongoing professional development of Directors. The Board, through the NRGC, annually reviews and provides appropriate training and development opportunities for Directors.

PRINCIPLE 3: ACTING ETHICALLY AND RESPONSIBLY

Code of Conduct

The Board is committed to promoting and maintaining appropriate ethical standards to underpin the Company's operations and corporate practices. The Board has adopted a Group Code of Conduct for its directors, senior executives and employees.

A copy of the Group Code of Conduct is available on the Company's website.

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN CORPORATE REPORTING

Group Audit, Risk and Compliance Committee (GARCC)

The combination of audit, risk and compliance responsibilities in one committee and the composition of this Committee is a decision of the Board and reflects the relative size of the Company and the Board and the interlocking nature of these responsibilities in the financial services sector.

The Committee is responsible for:

- overseeing the integrity of the financial reporting process and financial statements, the appointment of independent and competent external auditors;
- performance and review of the external audit process;
- review of internal controls;
- overseeing the Company's system of risk management and internal controls;
- overseeing the Company's corporate insurance program and risk management framework; and

- overseeing the Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The GARCC consist of two Directors, both of whom are independent non-executive Directors. The GARCC is chaired by Georg Chmiel who is an independent non-executive Director and he is not the Chairman of the Board. The Committee operates under a charter approved by the Board of Directors, which is reviewed at least annually. The details of the members of this committee are available on the Company's website.

A copy of the Charter is available on the Company's website.

The GARCC met three times during the 2020 Financial Year. The individual attendance of members at the meetings of this Committee are set out in the Company's Annual Financial Report.

Declaration under s295A of the *Corporations Act 2001*

The Company receives certifications in terms of s295A of the *Corporations Act 2001* from the CEO and CFO with each published financial report.

External Auditor

The Company's external auditor is Deloitte Touche Tohmatsu and the auditor attends General Meetings and the Annual General Meeting to respond to questions from shareholders in regard to the audit.

PRINCIPLE 5: MAKING TIMELY AND BALANCED DISCLOSURE

The Board is committed to ensuring the timely and balanced disclosure to the market and to ensure shareholders, investors and all other appropriate parties are fully informed of any material matters that may impact the Company. The Company complies with all relevant disclosure laws and the ASX Listing Rules.

The Chairman, Chief Executive Officer and Company Secretary are responsible for managing the Company's compliance with its disclosure obligations.

The Company's policy on timely and balanced disclosure is set out in the Company's Continuous Disclosure & Market Communication Policy, which is reviewed at least annually and is available on the Company's website.

Securities Trading

The Company has a Securities Trading Policy to govern trading in Company shares by Directors and employees. Breaches of the policy are subject to disciplinary action that may result in termination of appointment or employment. The Securities Trading Policy is reviewed at least annually and is available on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Communication with shareholders

The Company is committed to ensuring that shareholders are fully informed as follows:

- The Annual and Half-Year Financial Reports are lodged with the ASX, available on the Company's website. distributed as required by law and are available upon request;
- The financial reports are prepared in accordance with the applicable accounting standards for the relevant period and include information about the operations of the Company, changes in the state of affairs, details of future developments and other disclosures required by the law and the ASX Listing Rules;
- Proposed major changes to the Company that may impact on share ownership rights are submitted to a vote of shareholders;
- Meeting with shareholders on a regular basis and upon request; and
- Notice of general meetings of shareholders are distributed to shareholders in accordance with the law and are available upon request.

The Company maintains a section of its website that provides comprehensive investor information about its governance and disclosures.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders may vote on the appointment and aggregate remuneration of directors, granting of options and shares to directors and changes to the Constitution.

The Company and its share registry provide shareholders with the option to send and receive communications electronically. Written questions are encouraged.

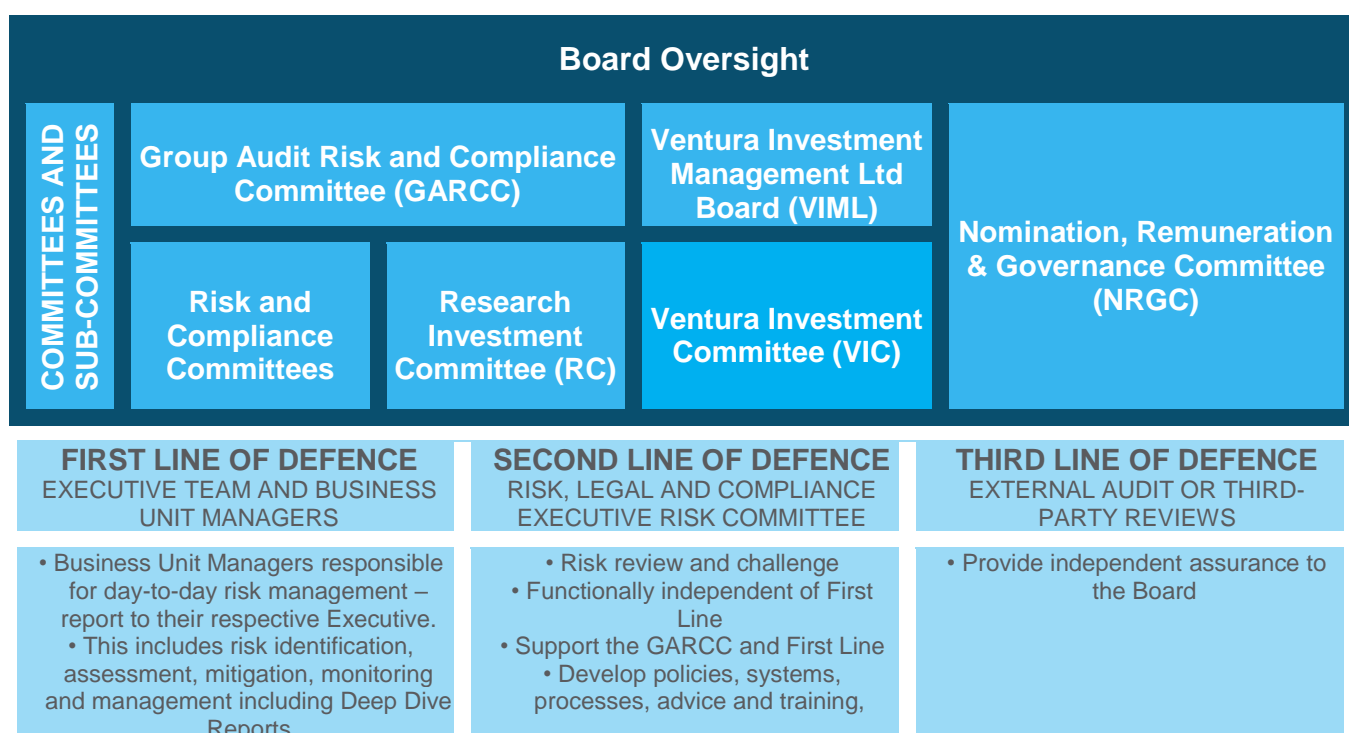
PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Risk Management

The Board is ultimately responsible for oversight of risk and the risk management framework. The Board is responsible for reviewing and approving the Group's risk appetite and its risk management strategies. The GARCC assists the Board in its role of identifying and managing risk.

The GARCC is advised by the Executive Risk Committee. The Company has a Risk Appetite Statement and a Risk Management Policy and Framework, which are regularly reviewed. Executives and business unit managers regularly report on their risks, action plans and mitigation strategies.

The Group's risk management framework is shown in the diagram below:



The GARCC conducts an annual review of the Risk Management Policy and Framework.

Executive Risk Committee

The Executive Risk Committee advises the GARCC in relation to risk management. Accordingly, the Executive Risk Committee is responsible for establishing and maintaining risk management measures that ensure the Group manages material risk. To this end, the Executive Risk Committee's key responsibilities are:

- understanding the strategy, goals, objectives and operating environment of the Group to assist in establishing a risk management framework, including review of the risk appetite statement;
- establishing a framework and processes for ensuring relevant risks within the Group are identified, assessed and managed within appropriate tolerances and risk appetite;
- assessing the effectiveness of the risk management framework within the Group;
- developing procedures and documents that support the risk management framework;
- monitoring the Group's risk management and compliance practices; and ongoing risk management and reporting.

Minutes of the Executive Risk Committee meetings are made available to the GARCC.

Compliance Committee

The Compliance Committee assists the GARCC to monitor and oversee the management of compliance related matters. The Compliance Committee is responsible for monitoring Compliance measures having regard to Australian Financial Services and Australian Credit Licence conditions.

The Compliance Committee's key responsibilities are:

- establishing a framework and processes for ensuring compliance with relevant laws, regulations, standards and Company policies;
- assessing the effectiveness of the compliance framework within the Group;
- developing procedures and documents that support the compliance framework;
- monitoring the Group's compliance practices; and
- ongoing compliance management and reporting.

Minutes of the Compliance Committee meetings are made available to the GARCC.

Research Investment Committee (RIC)

The Research Investment Committee assists the GARCC to monitor and oversee the management of investment matters relating to the Advice licensees within the Group.

Minutes of the Research Investment Committee meetings are made available to the GARCC.

Ventura Investment Committee (VIC)

The Ventura Investment Committee, a committee of the Ventura Investment Management Limited (VIML) board of directors, assists VIML to monitor and oversee the management of investment matters relating to the VIML Australian Financial Services Licence.

Minutes of the Ventura Investment Committee meetings are made available to the VIML board of directors.

Internal Audit

Due to the relative size of the Company, the Board does not consider it necessary to establish a formal internal audit function. Some of the greatest risks for the Group relate to the Australian Financial Services Licences that Group subsidiaries hold. These are closely monitored through a well-resourced, specialist internal compliance function.

Economic, environmental or social sustainability risks

The Company is committed to creating a positive impact and shared value in the community by continuously considering ways in which it can maintain long-term sustainability in an economically, environmentally and socially responsible manner.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration is included in the functions of the NRGC which is detailed under Principle 2 of this Statement.

Part of the role of the NRGC is to advise the Board on the remuneration policies and practices of executives and Directors.

Details on performance measurement and remuneration of Directors and specified executives are contained in the Remuneration Report, incorporated in the Directors' Report. There is no scheme to provide retirement benefits (other than statutory superannuation), options or performance related incentives to non-executive Directors. Non-executive Directors receive a fixed fee.

The Company has a Securities Trading Policy that deals with entering into transactions which limit the economic risk of trading the Company's shares including shares issued under any equity-based remuneration scheme.

A copy of the Securities Trading Policy is available on the Company's website.