



Corporate Governance Statement

This statement has been approved by the Board of Directors of Elanor Funds Management Limited (Responsible Entity or Manager), as responsible entity of the Elanor Investment Fund and Elanor Investors Limited (Company) and prepared as at 30 June 2018.

Elanor Investors Group (Group) comprises the Company and its controlled entities, including Elanor Investment Fund (Trust) and its controlled entities. The units of the Trust and the shares of the Company are combined and issued as stapled securities in the Group.

Principle 1 – Lay solid foundations for management and oversight Board Charter

The Directors of the Group have adopted a Board Charter that sets out the respective roles and responsibilities of the Board and senior executives. The Board is accountable to security holders for the performance of the Group. A copy of the Board Charter is available at www.elanorinvestors.com.

Specifically, the Board is responsible for:

- Developing and approving the corporate strategy and monitoring implementation of strategy.
- Evaluating, approving and monitoring the strategic and financial plans of the Group.
- Evaluating, approving and monitoring the annual budgets (including financial and other reporting) and business plans.
- Evaluating, approving and monitoring the progress of major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Group.
- Appointing, monitoring and managing the performance of the Chief Executive Officer and Senior Executives as decided from time to time.
- Reviewing, ratifying and monitoring the Group's risk and audit framework, (including but not limited to) systems of risk management and internal control.
- Reviewing, ratifying and monitoring the Group's operations in relation to, and compliance with, relevant regulatory and legal requirements.

The Board Charter separately sets out the responsibilities of the Chair.

The Board Charter also sets out the role and responsibilities of the Chief Executive Officer and the roles and responsibilities of management more broadly.

The Chief Executive Officer has primary responsibility to the Board for the affairs of the Group including:

- Developing with the Board, implementing and monitoring the strategic and financial plans for the Group, its policies, the annual budgets and business plans, major capital expenditure,

capital management and all major corporate transactions, including the issue of any securities of the Group.

- Managing the appointment of senior executive positions.
- Developing, implementing and monitoring the Group's risk and audit management framework.
- Providing strong leadership to, and effective management of, the Group.

The Board schedules to meet eleven times each year in the ordinary course of business, with additional meetings held as required. The Board met fifteen times during the financial year to 30 June 2018 and each Director's attendance at those meetings is set out in the Director's Report included in the Group's Annual Report.

Director's Information

In considering any selection, appointment or re-appointment to the Board, the Board considers the necessary and desirable competencies of any Directors or proposed Directors.

The Board ensures that the Group undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. The Board will ensure that the Group provides security holders all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

Agreements with Directors and Key Management Personnel

Each Director enters into an agreement with the Company setting out the Terms and Conditions of their appointment including their roles and responsibilities.

Each of the Key Management Personnel enters into a Service Agreement which sets out their position description, duties and responsibilities, reporting lines, remuneration entitlements, ongoing confidentiality, obligation to comply with all corporate policies, the circumstances in which their service may be terminated (with or without notice) and any entitlements on termination.

Details on the remuneration of Directors and Key Management Personnel are set out in the Remuneration Report for the period ended 30 June 2018 included in the Group's Annual Report.

Company Secretary

In accordance with the Board Charter, the Company Secretary is appointed and if necessary removed by the Board and is therefore accountable directly to the board on all matters to do with the proper functioning of the Board. Each Director also has direct access to the Company Secretary.

The Company Secretary's role includes:

- Advising the Board and its committees on governance matters.
- Monitoring that board and committee policy and procedures are followed.

- Co-ordinating the timely completion and despatch of Board and committee papers.
- Ensuring that the business at Board and committee meetings is accurately captured in the minutes.
- Helping to organise and facilitate the induction and professional development of Directors.

Diversity Policy

The Board has adopted a Diversity Policy that aims to promote diversity across the Group through a number of strategies and initiatives.

A copy of the Diversity Policy is available at www.elanorinvestors.com.

At this stage of the Group's development, specific measurable objectives for achieving gender diversity have not been established. Set out below is a summary of female participation rates across the Group as at 30 June 2018.

	2018	
	Female	Male
Board of Directors	0%	100%
Key Management Personnel	25%	75%
All Employees	198	157

Director, Board and Committee Evaluation

The Board Charter requires that the Board undertake an ongoing self-assessment and review of the performance of the Board, Committees and individual Directors annually. The process for conducting Board and Director evaluations is similar to that adopted for the review of the Chief Executive Officer and is conducted in a confidential manner by the Chair of the Board.

Key Management Personnel Performance Evaluation

The Group's goals are used as the basis for evaluating performance of Key Management Personnel. Performance evaluations are undertaken annually by the Chief Executive Officer. The Chief Executive Officer's performance evaluation is also undertaken annually, by the Board.

Principle 2 – Structure the board to add value Remuneration and Nomination Committee

The Directors have established a Remuneration and Nomination Committee. A copy of the Remuneration and Nomination Committee Charter is available at www.elanorinvestors.com.

The Remuneration and Nomination Committee has three members. Two members are independent non-executive directors (Paul Bedbrook (Chairman of the Board) and Nigel Ampherlaw) and one member is a non-independent non-executive director (William (Bill) Moss AO). The Committee is chaired by William (Bill) Moss AO.

The Remuneration and Nomination Committee is not chaired by an independent director. The

Board, having regard to the Group's stage of development as a listed entity and the collective experience and expertise of the members of the Remuneration and Nomination Committee, considers the current composition of the Remuneration and Nomination Committee is appropriate.

During the financial year to 30 June 2018 the Remuneration and Nomination Committee formally met five times with all members attending.

The Remuneration and Nomination Committee is responsible for:

- Supporting and advising the Board in fulfilling its responsibilities to security holders and employees of the Group, by endeavouring to ensure that the directors and senior executives of the Group are remunerated fairly and appropriately.
- Reviewing and advising the Board on the composition of the Board and its Committees and the necessary and desirable competencies of Board members.
- Developing a process for the evaluation of the performance of the Board, its Committees and individual executive and non-executive directors.
- Ensuring that proper succession plans are in place for consideration by the Board.

Board Skills and Competencies

The skills, experience and expertise relevant to the position of each Director are set out in the Directors' Report included in this Annual Report. The Remuneration and Nomination Committee considers the matrix of skills of the Directors standing on the Board at least annually to identify gaps in their skills that may be addressed through professional development or by the appointment of additional directors.

The Board comprises a diverse range of skills and understanding gained by Directors from their decades of experience in the financial services, asset management, investment banking and property sectors. This expertise is supported by appropriate accounting, banking & finance and risk management skills.

Director Independence

The Board recognises that independent directors are important in assuring investors that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance.

As at 30 June 2018, the Board comprises four directors, two of whom are independent. The Chair of the Board is an independent director and does not occupy a joint position as Chief Executive Officer. Importantly, the Chair has the casting vote. Each Independent Director was appointed in June 2014.

The Independent Directors are:

Paul Bedbrook	Independent Chair
Nigel Ampherlaw	Independent Director

As at 30 June 2018, Glenn Willis was the sole executive director on the Board having been formally appointed as Managing Director and Chief Executive Officer in June 2014.

Mr William (Bill) Moss AO is a non-executive director of the Board.

The Board, having regard to the Group's stage of development as a listed entity and the collective experience and expertise of the Directors, considers that the current composition of the Board is appropriate.

The Board considers an independent director to be:

- A director who is not a substantial security holder of the Group, being a security holder who holds 5% or more of the issued voting securities of the Group, or an officer of or otherwise associated directly with a substantial security holder of the Group.
- A non-executive director who is not a member of management and who has not been employed in an executive capacity by Elanor Investors Group in the last three years.
- A director who has not within the last three years been a principal of a material professional adviser or consultant to the Group.
- A director who is not a material supplier, customer or other contractor of the Group nor has a material contractual relationship with the Group other than as a director.
- A director who should not otherwise be considered by the Board to not be independent.

Details of the tenure, current position and previous offices held by each Director, which are relevant to the assessment of their independence, are disclosed in their respective profiles, along with their interests in securities, and set out in the Directors' Report included in the Group's Annual Report.

Induction and Training

The Group has induction procedures in place to allow new Directors to gain an understanding of the Group (including its culture and values) and their rights, duties and responsibilities, the roles and responsibilities of senior executives, the role of Board Committees, and meeting arrangements and Director interaction.

Directors are required to keep themselves adequately informed in respect of relevant industry and regulatory issues and changes.

The Group will provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.

Principle 3 – Promote ethical and responsible decision-making Code of Conduct

The Group has adopted a written Code of Conduct which applies to the Board, officers, senior executives and employees of Elanor Investors Group. The objectives of this Code of Conduct are to ensure that high standards of corporate and individual behaviour are observed by all those parties, including acting ethically and responsibly, in the context of their employment.

Employees, on joining, are required to confirm that they will comply with all Group policies including the Code of Conduct.

A copy of the Code of Conduct is available at www.elanorinvestors.com.

All Directors, officers, senior executives and employees of Elanor Investors Group are required to meet the following standards of ethical behaviour.

- To conduct themselves with openness, honesty, fairness and integrity in business transactions and in dealings with others.
- To treat everyone else with whom they interact in their work with courtesy and respect.
- To act ethically in their approach to business decisions.
- To observe appropriate principles of behaviour when conducting Group business and interacting with others.
- To comply with all laws and regulations that govern the Group's business and the policies that the Group adopts from time to time.
- To act in compliance with all laws and regulations that apply to the Group's business.

The Group aims to increase security holder value within an appropriate framework which safeguards the rights and interests of the Group's security holders and the community and complies with the systems of control and accountability which the Group has in place as part of its corporate governance.

The Code of Conduct also requires that the Board, officers, senior executives and employees should request all key contractors acting on behalf of Elanor Investors Group adhere to a similar set of ethical standards as set out in the Code of Conduct and cease using any contractor who they consider is not adhering to an ethical standard at least as rigorous as the standard set out above.

Whistleblowing

The Group has a Whistleblowing Policy which endorses its commitment to a high standard of corporate compliance, ethical behaviour and a culture where all Team Members are encouraged to raise concerns or report unethical behaviour and misconduct without fear of possible adverse repercussions as a result.

A copy of the Whistleblowing Policy is available on the Group's website at www.elanorinvestors.com.

Confidentiality

Employees are required to safeguard confidential information of the Group by not transferring, publishing, using or disclosing it other than when necessary in the ordinary course of business, or as specifically directed or authorised. All confidential or proprietary information that has been entrusted to the Group by a third party is to be treated as if it was the Group's confidential information.

Conflicts of Interest

Employees have an obligation to seek to avoid financial, business or other relationships which might be opposed to the interests of the Group or which may conflict with the performance of their duties.

Securities Trading Policy

The Board has adopted a Securities Trading Policy. A copy of the Securities Trading Policy is available at www.elanorinvestors.com.

Principle 4 – Safeguard integrity in financial reporting Audit and Risk Committee

The Board has established an Audit and Risk Committee (the Committee) consisting of a minimum of two members with the majority of members required to be independent directors. All members must be able to read and understand financial statements, and at least one member, being the chairperson, must have financial expertise, that is the person must be either a qualified accountant or other financial professional with experience of financial and accounting matters. A copy of the Audit and Risk Committee Charter is available at www.elanorinvestors.com.

The Chair will be a non-executive independent director appointed by the Board who is not the Chair of the Board.

Any Director may attend a meeting of the Committee at any time. The Committee will meet at least twice per annum and more often if deemed necessary. Meetings may be held by electronic means as allowed under the provisions of the Corporations Act 2001.

The following Directors are members of the Committee.

Nigel Ampherlaw	Chair	Non-executive Independent Director
Paul Bedbrook	Member	Non-executive Independent Director
Glenn Willis	Member	Managing Director and Chief Executive Officer

The qualifications and experience of each of the members of the Committee are set out in the Directors Report included in the Group's Annual Report.

The Committee met six times during the financial year to 30 June 2018 and all members attended all meetings.

The Committee does not consist only of non-executive directors. The Board, having regard to the Group's stage of development as a listed entity and the collective experience and expertise of the members of the Committee, considers the current composition of the Committee is appropriate.

The primary role of the Committee is to:

- Satisfy itself that the Group has an adequate control framework for the oversight of the external audit arrangements.
- Make recommendations to the Board in relation to:
 - The adequacy of the Group's processes for identifying, measuring, monitoring and managing the material business risks it faces.
 - Any incident involving fraud or other break down of the Group's internal control policies and practices.
 - The Group's insurance program.

Specifically, the Committee is responsible for:

- Reliable management and financial reporting.
 - Assessing the adequacy of management reporting on the Group's risks, operations, and financial condition to the Board.
 - Scrutinising the Group's accounting policies and practices in the light of the Corporations Act and Australian Accounting Standards.
 - Reviewing the half yearly and annual financial statements of the Group and recommending to the Board the signing of the directors' declaration.
 - Reviewing and discussing with the external auditor the quality and acceptability of the Group's accounting principles as applied in its financial reporting.
 - Supervising the implementation of the Australian Accounting Standards and other changes in regulatory requirements.
- Compliance with laws and regulations
 - Considering the plans and processes for the Group's compliance activities.
 - Ensuring that the Group's financial statements and reporting complies with the Corporations Act, accounting standards, ASX Listing Rules and other relevant regulatory requirements.
 - Monitoring the laws and the regulations that relate generally to the entity's business operations and, review the Group's compliance with such laws.
 - Seeking advice of the Group's legal advisers on any legal matters that could have significant impact on the Group's financial statements.

- Maintenance of an effective and efficient audit
 - Recommending to the Board the appointment of the external auditors.
 - Reviewing the plans of the external auditors, including any significant changes to the plans.
 - Reviewing the efficiency and effectiveness of the external auditors in relation to their responsibilities.
 - Reviewing and discussing with the external auditor professional and other significant relationships to determine their independence.
 - Reviewing the external auditor's fees.
 - Review and approve any non-audit engagement of the external auditor where the engagement fees exceed \$100,000.
 - Ensuring there are no unjustified limitations placed on the auditors and review any serious disputes with management during the audits.
 - Ensuring the scopes of the audits are adequate, with emphasis on matters where the Committee, management or the auditors believe special attention is necessary.
 - Meeting with and assessing the findings of the external auditors as well as management's response to their recommendations.
 - Ensuring compliance with the ASX principles of good corporate governance related to external auditors.

- Risk management and internal control
 - In consultation with management, preparing and regularly reviewing a risk profile which describes the material business risks facing the Group.
 - Reviewing and reporting to the Board (at least annually) on the effectiveness of the Group's internal controls.
 - Reviewing and reporting to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing and monitoring material business risks, including breaches of contract or internal controls, litigation and claims, fraud and theft and the Group's insurance program.
 - Obtaining regular reports from management on the occurrence and/or status of any material breaches of internal controls or other material risk exposures.
 - Reviewing the scope of the external auditors' review of internal control and risk management, reviewing reports on significant findings and recommendations, together with management's responses.
 - Recommending to the Board any changes to the Group's internal control and risk

management framework from time to time as appropriate.

- Advising the Board on governance standards and appropriate corporate governance policies for the Group.
- Critically reviewing the Group's performance against its corporate governance policies.
- Supporting and advising the Board to fulfil its obligations in relation to safety and sustainability.

Chief Executive Officer and Chief Financial Officer Declarations

The Board has received confirmation from both the Chief Executive Officer and Chief Financial Officer that their declaration for both the interim and full year financial reporting periods made in accordance with section 295A of the Corporations Act 2001, were based upon sound system of risk management and internal control and further that the system is operating effectively in all material respects in relation to financial reporting risk.

External Auditors

The external auditor is requested by the Board to attend each AGM to answer questions about the conduct of the audit and the preparation and contents of the Auditors Report.

Principle 5 – Make timely and balanced disclosure Continuous Disclosure Policy

In order to regulate the continuous disclosure regime across the Group in relation to any securities issued by the Group the Board has adopted a Continuous Disclosure Policy. A copy of the Continuous Disclosure Policy is available at www.elanorinvestors.com.

The Continuous Disclosure Policy aims to ensure that the Group complies with the continuous disclosure requirements contained in the Australian Securities Exchange (ASX) Listing Rules (the Rules). The successful operation of the Group's continuous disclosure regime promotes investor confidence by providing full, timely, accurate and relevant information to the market about the activities of the Group and serves to educate all relevant Group personnel on what continuous disclosure is, and how they can ensure they meet their individual responsibilities.

Subject to the exceptions contained in the Listing Rules, the Group will immediately notify the market of any information or matter related to the businesses or financial condition of the Group which a reasonable person would expect to have a material effect on the price or value of those securities. Such notifications will be made by way of an announcement to the ASX.

Reporting of Disclosable Information

The Company Secretary plays an important role in the Group's Continuous Disclosure Policy. The Company Secretary is the person principally responsible for operating, overseeing and maintaining this Policy. The Company Secretary is the liaison between the Group's employees and officers, its Board of Directors, Responsible Managers and the ASX. The Company Secretary is also responsible for co-ordinating education within the Group about its disclosure obligations.

The Company Secretary will work with the Chief Executive Officer, and the members from time to

time of any Continuous Disclosure Committee, to determine whether any reported information needs to be disclosed in accordance with the Continuous Disclosure Policy.

Training and Development

Key employees are trained in the Group's Continuous Disclosure Policy to ensure all market sensitive information is provided to senior executives.

Principle 6 – Respect the rights of security holders Corporate Governance

The Group's website at www.elanorinvestors.com has a corporate governance section from where all relevant corporate governance information can be accessed, including Board and Committee Charters and various corporate governance policies.

Details on the Board of Directors, management team and the Group's operating divisions can be found in the "About" section of the Group's website.

The Group has adopted a security holder Communications Policy aimed at ensuring that trading in its securities takes place in an efficient, competitive and informed market.

The website also contains a feed from the ASX for the Group's security price information and a link to ASX announcements released by the Group.

Investors Reports

The Group prepares annual reports for investors for each financial year ending 30 June and a half year report for the period ending 31 December. These reports are posted on the website. Investors may elect to receive a hard-copy of the annual report or an email notification once they become available.

General Meetings

The Group holds an annual general meeting (AGM) in October or November each year. The date, time and venue of the AGM are notified to the ASX when the annual report is lodged with the ASX, generally in September each year. The Board of Directors aim to choose a date, venue and time considered convenient to the greatest number of our investors.

All notices of meetings will be accompanied by clear explanatory notes on the items of business. A copy of any such Notice of Meeting will be placed on the Group's website. Should an investor not be able to attend a general meeting they are able to vote on the resolutions by appointing a proxy. The proxy form included with the notice of meeting will clearly explain how the proxy form is to be completed and submitted.

As previously stated, the external auditor attends each AGM to answer questions about the conduct of the audit and the preparation and contents of the Auditor's Report.

Principle 7 – Recognise and manage risk

The Audit and Risk Committee has responsibility for overseeing risk management. Under the Committee Charter, the Committee is responsible for the following functions to assist the Board in overseeing the Group's system of risk management and internal control:

- In consultation with management:
 - Preparing and regularly reviewing a risk profile which describes the material business risks facing the Group.
 - Regularly reviewing and updating the risk profile and providing copies to the Board.
 - Reviewing the risk profile at least annually to satisfy itself that it continues to be appropriate and disclose that such a review has taken place in the Group's annual report.
- Reviewing and reporting to the Board (at least annually) on the effectiveness of the Group's internal controls regarding:
 - Due diligence for acquisitions and other new projects.
 - Compliance with confidentiality obligations.
 - Information technology security.
- Reviewing and reporting to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing and monitoring material business risks, including breaches of contract or internal controls, litigation and claims, fraud and theft and the Group's insurance program.
- Obtaining regular reports from management on the occurrence and/or status of any material breaches of internal controls or other material risk exposures.
- Reviewing the scope of the external auditors' review of internal control and risk management, reviewing reports on significant findings and recommendations, together with management's responses.
- Recommending to the Board any changes to the Group's internal control and risk management framework from time to time as appropriate.

Risk Management Framework

The Group has prepared a Risk Management Framework which has been reviewed by management and the Board.

In the context of the Group's strategy and activities, the Risk Management Framework identifies and assesses the key categories of risk for the Group and summarises and evaluates the effectiveness of the risk control environment for each category of risk identified for the Group.

Internal Audit

The Board has determined, having regard to the Group's current stage of development not to establish a separate internal audit function. Where the Group believes internal audit type reviews are required of certain activities or functions, the review is outsourced to a service provider the Group believes is suitably qualified, and the results of the reviews reported to the Audit and Risk Committee.

As set out above, the Committee has specific responsibilities in relation to risk management and internal control.

Safety and Sustainability

The Board has established a workplace health and safety management team for the Group as a whole. This team monitors the effectiveness of workplace health and safety management systems and monitors the extent to which a safety culture exists within the Group. The workplace health and safety management team formally reports to the Board.

Principle 8 – Remunerate fairly and responsibly Remuneration and Nomination Committee

The Directors have established a Remuneration and Nomination Committee. Please refer to Principle 2 for commentary on the structure and Charter of the Remuneration and Nomination Committee.

The role and objectives of the Remuneration and Nomination Committee include ensuring that the remuneration policies and outcomes of the Group strike an appropriate balance between the interests of the Group's security holders, and rewarding and motivating the executives and employees in order to secure the long term benefits of their performance and loyalty.

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board on the specific remuneration for the Managing Director and Chief Executive Officer and each senior executive of the Group (including base pay, incentive payments, equity awards, termination payments and service contracts). The Remuneration and Nomination Committee is also responsible for reviewing and establishing the level of remuneration, including superannuation, for non-executive directors and the approval of any report on executive remuneration, which is required pursuant to any Listing Rule or legislative requirement or which is proposed for inclusion in the Annual Report.

Further details of the Group's remuneration policies are set out in the Remuneration Report for the financial year to 30 June 2018 included in the Group's Annual Report.