

## Appendix 4G

# Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Argo Global Listed Infrastructure Limited

ABN/ARBN

23 604 986 914

Financial year ended

30 June 2016

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

these pages of our annual report: \_\_\_\_\_

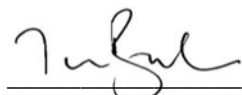
this URL on our website: <http://www.argostructure.com.au/about/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 22 August 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 19 September 2016 \_\_\_\_\_

Sign here:



Director/company secretary

Print name: Timothy Campbell Agar Binks \_\_\_\_\_

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity’s corporate governance statement can be found.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at <a href="http://www.argostructure.com.au/assets/docs/general/AGLI-Board-Charter-approved-2June16.pdf">http://www.argostructure.com.au/assets/docs/general/AGLI-Board-Charter-approved-2June16.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at</p> <p><a href="http://www.argostructure.com.au/assets/docs/general/AGLI-Diversity-Policy-approved-2June16.pdf">http://www.argostructure.com.au/assets/docs/general/AGLI-Diversity-Policy-approved-2June16.pdf</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs 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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.argoinfrastructure.com.au/announcements/annual-report">http://www.argoinfrastructure.com.au/announcements/annual-report</a></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.argoinfrastructure.com.au/announcements/annual-report">http://www.argoinfrastructure.com.au/announcements/annual-report</a></p> <p>... and the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.argoinfrastructure.com.au/announcements/annual-report">http://www.argoinfrastructure.com.au/announcements/annual-report</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	<p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at</p> <p><a href="http://www.argostructure.com.au/assets/docs/general/AGLI-Code-of-Conduct-approved-2June16.pdf">http://www.argostructure.com.au/assets/docs/general/AGLI-Code-of-Conduct-approved-2June16.pdf</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee</p> <p><input checked="" type="checkbox"/> at</p> <p><a href="http://www.argostructure.com.au/assets/docs/general/AGLI-Audit-Risk-Charter-approved-2June16.pdf">http://www.argostructure.com.au/assets/docs/general/AGLI-Audit-Risk-Charter-approved-2June16.pdf</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at</p> <p><a href="http://www.argostructure.com.au/announcements/annual-report">http://www.argostructure.com.au/announcements/annual-report</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves 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 and 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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at <a href="http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Disclosure-Policy-approved-2June16.pdf">http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Disclosure-Policy-approved-2June16.pdf</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://www.argoinfrastructure.com.au/about/corporate-governance">http://www.argoinfrastructure.com.au/about/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

<p>7.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at</p> <p>Audit &amp; Risk Committee Charter:</p> <p><a href="http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Audit-Risk-Charter-approved-2June16.pdf">http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Audit-Risk-Charter-approved-2June16.pdf</a></p> <p>Board Charter:</p> <p><a href="http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Board-Charter-approved-2June16.pdf">http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Board-Charter-approved-2June16.pdf</a></p> <p>and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at</p> <p><a href="http://www.argoinfrastructure.com.au/announcements/annual-report">http://www.argoinfrastructure.com.au/announcements/annual-report</a></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
------------	--	---	---

7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

# CORPORATE GOVERNANCE STATEMENT

## 2016

The Board of Argo Global Listed Infrastructure Limited (AGLI or Company) is committed to responsible financial and business practices and the highest standards of corporate governance to protect and advance shareholder's interests.

This Corporate Governance Statement provides information about the Company's corporate governance practices in compliance with ASX Listing Rule 4.10.3 and the 3<sup>rd</sup> Edition of the ASX Corporate Governance Council Principles and Recommendations (Principles and Recommendations). The Company has followed the Principles and Recommendations except where specifically stated.

The information in this Statement is current as at 19 August 2016 and has been approved by the Board of the Company.

The governance documents referred to in this Statement are available in the Corporate Governance section of the Company's website at <http://www.argoinfrastructure.com.au/>.

The Company listed on the ASX on 3 July 2015 and invests in an actively managed portfolio of global listed infrastructure securities.

The Company's operations are managed by Argo Service Company Pty Ltd (Manager), which has engaged Cohen and Steers Capital Management Inc. (Portfolio Manager) to actively manage the portfolio under the supervision of the Manager. The Manager provides these services under Australian Financial Services Licence no. 470477. The Manager is a wholly owned subsidiary of Argo Investments Limited (Argo), which is a substantial shareholder of the Company. As a consequence of these arrangements, the Company has no employees at this time. References in this Statement to the management resources of the Company refer to those of the Manager.

## Principle 1: Lay solid foundations for management and oversight

### 1.1 Role and responsibilities of the Board

The Board is responsible for the overall governance of the Company, including ensuring that the Company is properly managed to protect and enhance the interests of shareholders.

The Board Charter sets out the Board's responsibilities, which include:

#### **Strategic matters:**

- setting the broad strategic direction for the Company;
- setting the management and investment objectives of the Company, with a view to maximising shareholder value; and
- approving major capital management, capital expenditure and acquisitions.

#### **Delegation and supervision matters:**

- appointing, monitoring and evaluating the Manager;
- with the assistance of the Manager, appointing, monitoring and evaluating the active management of the Company's investment portfolio by the Portfolio Manager;
- with the assistance of the Manager, monitoring the performance of the investment portfolio and its compliance with the Company's investment objectives; and
- with the assistance of recommendations from the Audit & Risk Committee, approving half-year and full year financial results and overseeing the Company's financial reporting and internal control systems.

#### **Risk matters:**

- with the assistance of the Manager, establishing and monitoring appropriate levels of investment risk within the Company's portfolio; and
- with the assistance of the Audit & Risk Committee, approving and maintaining appropriate risk management and internal control systems to identify, assess, monitor and manage the Company's operational and business risks.

#### **Corporate governance matters:**

- developing corporate governance principles, policies, codes and charters which apply to the Company, including the Corporate Governance Statement and any other statutory report or document; and
- overseeing the Company's communications process.

#### **Nomination matters:**

- ensuring appropriate Board succession plans are in place;
- identifying and assessing the necessary and desirable competencies of Board members; and
- establishing procedures for the re-election of retiring Directors, having regard to the Company's tenure policy and the mix of skills, experience, expertise and diversity required by the Board.

#### **Remuneration matters:**

- approving the remuneration of the Company's Directors, subject to the limits imposed by the shareholders of the Company.

#### **Delegation to Management**

Except for the matters expressly reserved for the Board under the Board Charter, the Board has appointed the Manager, to manage the affairs of the Company in accordance with a Management Agreement dated 7 May 2015 between the Company and the Manager.

Under the terms of the Management Agreement, the Manager's responsibilities include providing the services of the Managing Director, Chief Financial Officer and Company Secretary, whose duties include the provision of administrative support services reasonably required by the Company to conduct its business. The Manager also provides financial services to the Company under its Australian Financial Services Licence no. 470477. For the provision of these management services, the Manager is entitled to a management fee based upon the portfolio value of the Company.

The Management Agreement authorises the Manager to manage the portfolio of the Company, including the appointment and supervision of the Portfolio Manager, a global investment manager specialising in listed real estate and infrastructure assets, to manage the investments of the portfolio. The Portfolio Manager is responsible for the day to day, active management of the portfolio of the Company in accordance with the investment objectives, investment strategy, investment guidelines and permitted investments as set out in the Portfolio Management Agreement dated 7 May 2015.

State Street Australia Limited (Custodian) has been appointed as Custodian. The role of the Custodian is to hold the assets of the Company in accordance with the terms of a Custodial Agreement.

#### **Delegation to Board Committees**

The Board has established an Audit & Risk Committee to assist it in performing its role. The Committee provides advice and recommendations to the Board. Further information on the scope of the Committee's responsibilities is available in the Audit & Risk Committee Charter.

The Board Charter is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Board-Charter-approved-2June16.pdf>

### **1.2 Appointment and re-election of Directors**

Directors are elected by shareholders. In accordance with the Company's Constitution, no Director may hold office for a period longer than three years without standing for re-election by shareholders at the Annual General Meeting (AGM).

The Managing Director is an executive Director who is appointed by the Board and is not subject to election or re-election by shareholders.

The Company's appointment of new Non-executive Directors involves a formal selection process managed by the Board and assisted by external recruitment consultants when required. Appropriate reference and background checks are conducted in relation to shortlisted applicants prior to the Board making an offer to a preferred candidate. These enquiries include checking qualifications and experience, and screening for any bankruptcy or criminal convictions. Directors appointed by the Board must stand for election by shareholders at the AGM following their appointment, in accordance with the Constitution.

The Board ensures that the Notice of Meeting, which is sent to all shareholders prior to the AGM, includes all material information obtained by the Company to enable shareholders to make an informed decision as to election or re-election of a candidate, including biographical details, the term currently served (in the case of re-election), the candidate's other current or recent directorships, the candidate's independence or non-independence status, any material adverse information and a statement of the Board's support or otherwise for the election or re-election.

The Board has adopted a tenure policy which limits the maximum tenure of office that any Non-executive Director may serve to 12 years. The Board may, on an exceptional basis, exercise

discretion to support the nomination of a Director beyond the maximum term where it is considered beneficial to the Company for succession planning or other purposes.

The Policy for the Appointment and Re-election of Directors is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Director-Appointment-Re-election-Policy-approved-2June16.pdf>

### **1.3 Director and senior executive employment agreements**

#### **Directors**

A letter of appointment and a deed of indemnity is provided to each incoming Director. The letter sets out the terms of appointment, expectations and responsibilities of the role, remuneration, director independence requirements, access to corporate resources and confidentiality requirements. It also includes information as to the circumstances where a Director may seek independent professional advice at the expense of the Company.

Directors and officers of the Company are covered by insurance against certain liabilities they may incur in carrying out their duties for the Company, to the extent permissible by law.

#### **Senior executives**

The Managing Director and the other senior executives are employed by the Manager pursuant to executive service contracts. The terms of the contracts include expected duties and responsibilities, reporting lines, remuneration, entitlements and termination conditions.

### **1.4 Company Secretary**

The Company Secretary's duties include a broad range of management responsibilities in addition to the company secretariat function. The formal reporting line in relation to those management responsibilities is to the Managing Director. However, accountability on all matters of Board practices and governance is to the Board, through the Chairman. The Company Secretary is available to advise the Directors on the implementation, administration and function of corporate governance. The appointment and removal of the Company Secretary is decided by the Board.

The qualifications and experience of the Company Secretary are available under "The Manager – Senior Management Team" on the Company's website at:

<http://www.argoinfrastructure.com.au/about/the-manager/senior-management-team>

### **1.5 Diversity**

The Company has no employees at the present time as the Company's operations are managed by the Manager. The Company's Diversity Policy applies to the Company's Board of Directors.

The Company is committed to being an inclusive workplace that values and promotes diversity in terms of age, disability, gender, ethnicity and cultural background. The Company provides a working environment which is free from unlawful discrimination, harassment, bullying and victimisation. The Board has a strong commitment to gender diversity. It establishes measurable objectives annually for achieving gender diversity, and each year reports the Company's progress toward achieving them.

The Company's measurable objective for gender diversity is currently set at achieving female representation of one third of the Board.

The current proportion of female representation on the Board is 40%.

The Diversity Policy is available on the Company's website at:



<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Diversity-Policy-approved-2June16.pdf>

## **1.6 Evaluation of Board performance**

A formal process of performance evaluation of the Board, its Committees and its individual Directors takes place every year. The Review may be conducted internally or by external consultants. An internal performance evaluation was conducted this year.

The internal process is as follows: The Chairman speaks individually with Directors to review their performance and each Director has the opportunity to raise any particular concerns or issues. In addition, an independent, Non-executive Director nominated by the Board speaks individually with the other Directors to review the Chairman's performance. During these reviews, the Chairman and Directors evaluate the performance of the Board as a whole. The process addresses all key aspects of the Board's operations. Once completed, the findings of the reviews are reported to the Board. Any recommendations for changes to the Board's operations are then developed and their implementation is overseen by the Chairman. The Committee of the Board follows similar procedures.

This year's evaluation identified that the Board and its Chairman are operating effectively.

The Policy for Performance Evaluation and Remuneration of the Board and Evaluation of Executives is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Perf-Eval-and-Remun-Policy-approved-2June16.pdf>

## **1.7 Evaluation of senior executive performance**

The officeholders who are provided to the Company under the terms of the management agreement with the Manager are the Managing Director, the Chief Financial Officer and the Company Secretary. These senior executives are accountable to the Company's Board although they are employed and remunerated by the Manager.

The Manager conducts an annual performance appraisal for each executive, during which the input of the AGLI Board is sought with respect to the individual's key performance indicators which are relevant to the management of AGLI.

The performance of these executives is also monitored by the AGLI Board as part of its ongoing assessment of the services provided by the Manager.

The most recent executive performance reviews were conducted in July 2016 relating to the 2015/16 financial year.

The Policy for Performance Evaluation and Remuneration of the Board and Evaluation of Executives is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Perf-Eval-and-Remun-Policy-approved-2June16.pdf>

## Principle 2: Structure the Board to add value

The Board's composition currently comprises two independent, Non-executive Directors, two non-independent, Non-executive Directors and the Managing Director, who is a non-independent executive Director.

### **2.1 Nomination and renewal**

The Board has not appointed a Nomination Committee as it considers that all Directors should participate in nomination matters, including succession planning for the Board. This is a departure from Recommendation 2.1 of the Principles and Recommendations, but the Board places great importance on these matters and prefers not to delegate them to a committee. The Board is committed to an orderly process of renewal and discusses succession planning regularly.

The decision and process to appoint a new Director is overseen by the Chairman. The Board's current size, composition and succession planning requirements are taken into account. With reference to the Board's skills matrix (see below), any additional skills, qualifications or experience areas which are considered desirable are identified before commencing the candidate selection process.

The Policy for the Appointment and Re-election of Directors is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Director-Appointment-Re-election-Policy-approved-2June16.pdf>

### **2.2 Board skills matrix**

Directors are selected in order that the Board as a collective possesses a wide range of skills, knowledge and experience which is sufficient and appropriate to steer the strategic direction of the Company, challenge management and discharge its obligations effectively.

To assist the Board to identify areas of focus and to ensure an appropriate and diverse mix of skills, experience and expertise, a Board Skills Matrix has been developed and is reviewed at least annually. It is an important tool, but not the only basis of criteria applying to Director appointments.

The following matrix summarises the key skills, qualifications and experience that Board members presently possess including international and infrastructure sector experience.

<b>Skills, competency and/or qualifications</b>	<b>Number of Directors (out of a total of 5)</b>
Accounting/Audit	4
Tax	3
Legal	3
Governance/Compliance/Risk	4
Marketing/Advertising	3
HR/Remuneration	5
Technology	4
Government	2
General management	5
International experience	4
Infrastructure	3
Not for profit/Charity	5

The individual qualifications and experience of each of the Directors is available under “The Board” on the Company’s website at:

<http://www.argoinfrastructure.com.au/about/the-board>

### **2.3 Director independence**

The ability of directors to exercise independent judgement is a crucial feature of good corporate governance. Independent, non-executive directors are unfettered by management and free from any business or other relationship that could materially interfere with the independent exercise of their judgement.

The Board Charter sets out the Company’s test for assessing Director independence. It includes the disclosure of any material contract or relationship and extends to the interests of any family companies or close family members. For the purposes of assessing independence with respect to any commercial arrangements that a Director may have with the Company, a materiality threshold of \$100,000 per annum is used.

The independence status of each current Company Director is available under “The Board” on the Company’s website at:

<http://www.argoinfrastructure.com.au/about/the-board>

### **2.4 Majority of independent Directors**

The Board Charter stipulates that the Board shall comprise a minimum of four directors and a maximum of six directors. The Board as a whole will determine its size and composition including the mix of independent and non-independent directors. The Board completes an assessment of the independence of each Director prior to their appointment and annually thereafter.

The structure of the Board is a departure from Recommendation 2.4 of the Principles and Recommendations which suggests that a majority of the directors of a listed entity should be independent. The Board currently comprises two independent Directors and three non-independent Directors. The non-independent Directors are Mr. Martin AM, the Chairman, Mr. Beddow, the Managing Director and Ms. Morton, a Non-executive Director. They are not considered to be independent as they are also Directors of Argo, which is the parent company of the Manager and also a substantial shareholder and related party of the Company. In addition, Mr. Martin and Mr. Beddow are Directors of the Manager. However, the non-independent Directors have been specifically chosen to bring the skills, experience and long track record of Argo to the management and oversight of the Company. It is considered that utilising Argo’s specific expertise in successfully managing listed investment companies is of great benefit to the Company. If circumstances occur where the non-independent Directors may be conflicted on a particular issue, they will abstain from the decision and allow the independent Directors to determine the matter.

### **2.5 Chairman of the Board**

The Chairman, Mr Ian Martin AM, is a non-independent, Non-executive Director. His non-independence is due to also being the Chairman of the Manager and Argo Investments Limited, the parent company of the Manager. This is a departure from Recommendation 2.5 of the Principles and Recommendations. However, the Chairman has been chosen to lead the Board specifically due to his skills and experience in successfully leading the Board of Argo, which make him ideally suited to performing the role required as Chairman of AGLI. As Chairman, he has a duty to act in the best interests of AGLI shareholders, and his knowledge and experience in the funds management sector will be very valuable to the Company, particularly in its early stages of development.

The Chairman's responsibilities include:

- organisation and conduct of Board affairs;
- overseeing the provision of appropriate information to the Board;
- ensuring efficient and effective discussions at Board meetings;
- fostering a Board culture that encourages contribution and challenge in a constructive manner; and
- representing the Company to shareholders and the wider community.

## **2.6 Induction and professional development of Directors**

All new Directors participate in an induction program which involves the Chairman and senior management. The program includes briefings on the Company's strategy, organisational structure, corporate governance practices, risk management framework, culture, accounting policies and applicable codes, charters and policies regarding the required ethical conduct of Directors.

The Company provides appropriate professional development opportunities where required for Directors to develop and maintain the skills and knowledge needed to perform their roles effectively.

## Principle 3: Act ethically and responsibly

### 3.1 Code of Conduct

The reputation of the Company in the business world and broader community is of fundamental importance. The Company's Code of Conduct applies to the Company's key management personnel (KMP) which includes the Directors and senior executives provided by the Manager. It provides the framework which ensures that all KMP engage only in practices that ensure the highest standards of honesty and integrity.

The Company is committed to its objective of using professional excellence to provide both long-term capital growth and dividend income for shareholders whilst operating within the clearly articulated framework of behaviour provided by the Code of Conduct.

The Company's core values are:

- abiding by the law and complying with any relevant legislation, regulations and accounting practices;
- acting honestly, diligently and with integrity;
- dealing fairly, without prejudice and in the best interests of the Company's shareholders, having regard to the interests of other stakeholders; and
- complying with Board and Committee Charters, Codes and Policies.

These core values are fostered within the Company to promote ethical and responsible behaviour. Due to the investment activities of the Company, the Securities Trading Policy (which regulates trading in the shares of the Company), is another key policy which all KMP must commit to.

The Code of Conduct is available on the Company's website at:

<http://www.argostructure.com.au/assets/docs/general/AGLI-Code-of-Conduct-approved-2June16.pdf>

The Securities Trading Policy is available on the Company's website at:

<http://www.argostructure.com.au/assets/docs/general/AGLI-Securities-Trading-Policy-approved-2June16.pdf>

## **Principle 4: Safeguard integrity in corporate reporting**

### **4.1 Audit & Risk Committee**

The Audit & Risk Committee assists the Board in fulfilling its statutory and fiduciary obligations by providing independent and objective recommendations and assurance on the effectiveness of governance, operational risk management, financial reporting, internal control processes and the external audit.

The process for approval of the financial statements is reviewed and assessed by the Audit & Risk Committee each reporting period.

The external audit firm partner responsible for the Company audit attends Audit & Risk Committee meetings by invitation. The Committee formally reports to the Board after each of its meetings.

The Audit & Risk Committee comprises two independent, Non-executive Directors and one non-independent Non-executive Director. The Chair of the Audit & Risk Committee is an independent Director who is not also the Chair of the Board.

The experience and qualifications of each member of the Audit & Risk Committee is available under “The Board” on the Company’s website at:

<http://www.argoinfrastructure.com.au/about/the-board>

The Audit & Risk Committee Charter is available on the Company’s website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Audit-Risk-Charter-approved-2June16.pdf>

### **4.2 Management declarations in financial reporting**

In accordance with Section 295A of the Corporations Act, the process for approval of the half-year and full year financial statements involves the Managing Director and the Chief Financial Officer declaring in writing to the Audit & Risk Committee and the Board that, in their opinion, the financial records of the Company have been properly maintained in accordance with the Corporations Act, and that the financial statements comply with the relevant accounting standards and give a true and fair view of the financial position and performance of the Company. Management’s opinion must be based on a sound system of risk management and internal control which is operating effectively.

The financial reports are reviewed by the Audit & Risk Committee and the external auditor, and recommendations are made to the Board as to their adequacy prior to approval and public release.

### **4.3 External Auditor**

The Audit & Risk Committee is responsible for making recommendations to the Board in relation to auditor independence, audit partner rotation and the provision of non-audit services by the auditor. Currently, the Company’s external audit is undertaken by PricewaterhouseCoopers (PwC) and the audit engagement partner is required to be changed at five year intervals.

The external auditor attends the AGM and is available to answer shareholder questions. Such questions may encompass the accounting policies adopted by the Company, the conduct of the audit or the independence of the auditor.

The External Auditor Policy is available on the Company’s website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-External-Auditor-engagement-Policy-approved-2June16.pdf>

## **Principle 5: Make timely and balanced disclosure**

### **5.1 Continuous disclosure**

The Company is committed to providing relevant and timely information to its shareholders and to the broader financial community, in accordance with its continuous disclosure obligations under the ASX Listing Rules and the Company's Disclosure Policy.

All Directors and staff of the Company and the Manager are required to inform a member of the Company's Continuous Disclosure Committee immediately if they become aware of any potentially price sensitive information relating to the Company.

The Continuous Disclosure Committee, which comprises the Managing Director, the Company Secretary and the Chief Financial Officer, will consider any event or circumstance, in consultation with the Board, to determine whether disclosure to the ASX is required in order to comply with the continuous disclosure requirements of the Listing Rules. Any resulting disclosure must be released to the market through the ASX announcements platform.

The Company Secretary is primarily responsible for co-ordinating the disclosure of information to the ASX, regulators and shareholders on behalf of the Company, in consultation with the Board and other executives as required.

The Disclosure Policy is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Disclosure-Policy-approved-2June16.pdf>

## **Principle 6: Respect the rights of security holders**

### **6.1 Access to information about the Company**

The Company's website at [www.argoinfrastructure.com.au](http://www.argoinfrastructure.com.au) contains extensive information about the Company, its activities, portfolio, investment performance, the Directors, the Manager, the Portfolio Manager and senior executives. It is updated regularly to keep shareholders informed at all times.

Corporate governance information is available on the Company's website at:  
<http://www.argoinfrastructure.com.au/about/corporate-governance>

Company announcements lodged with the ASX, including financial results, monthly Net Tangible Asset backing (NTA) disclosures, weekly NTA estimates and quarterly investment reports are available on the Company's website at:

<http://www.argoinfrastructure.com.au/announcements/asx-announcements>

In addition, a comprehensive Annual Report is prepared and distributed to shareholders who request it.

### **6.2 Investor relations**

The Company has a Communications Policy which promotes the rights of shareholders to access high quality information and participate in effective two way communication. Open and honest communication with shareholders is an important part of the Company's culture.

There are a number of ways shareholders and other stakeholders are provided with the opportunity to communicate with the Company:

#### **Website**

The Company website provides up to date content including financial information, ASX announcements, media releases, annual reports, shareholder newsletters, important dates, background information on the Company and corporate governance information. Shareholders can submit questions by email, via the link on the 'Contact us' website page.

#### **Share registry**

The Company's share registry operations are managed by Computershare Investor Services Pty Ltd. Shareholders can opt to receive correspondence from the share registry electronically or by post. Shareholder enquiries can be made by telephone, on-line or by post.

#### **Annual General Meeting**

The AGM is a key opportunity for the Company to communicate with investors and for investors to ask questions and provide feedback to the Directors. Shareholders are encouraged to attend and to participate in the AGM, to ensure a high level of accountability and identification with the Company's strategies and goals.

#### **Information meetings**

The Company intends to hold shareholder information meetings in a number of cities around Australia each year, which will provide an informal forum where shareholders are given the opportunity to raise questions and participate in general discussion about the Company.

#### **Responding to queries**

Our staff respond to all shareholder queries regarding the Company's operations, whilst ensuring that any information provided is publicly available, not price sensitive and not considered to be personal advice.



The Communications Policy is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Communications-Policy-approved-2June16.pdf>

### **6.3 Encouraging participation at shareholder meetings**

The Company encourages shareholders to attend the AGM and other information meetings. For those that cannot, the key presentations and results are posted on the websites of the Company and the ASX.

The Company provides a Notice of Meeting to all shareholders prior to each AGM. Shareholders who are unable to attend the AGM in person may appoint a proxy to vote on their behalf. A proxy can be directed to vote in accordance with the instructions of the shareholder, or the shareholder can request the proxy vote as they see fit. To encourage shareholders to vote, proxy votes can be lodged in person, by mail, by facsimile or on-line.

### **6.4 Electronic communication**

Shareholders have the option to receive communications electronically by registering on-line with the share registry manager, Computershare. If such an election is not made, communications will be delivered by post. Shareholders who register their holding with Computershare will also be able to access and update their registration details, banking instructions or communication options on-line at any time of day.

## Principle 7: Recognise and manage risk

### 7.1 Oversight of risk management

The Board monitors the business risks of the Company in the discharge of its stewardship responsibilities. The Company operates in a competitive environment and the business is exposed to a range of commercial, economic and market risks that cannot be fully predicted or controlled. Changing conditions have the potential to impact upon the Company's business but the Company must have exposure to risk if it is to succeed in its objective of maximising long-term shareholder returns. The material risks affecting the Company are actively monitored and managed. The risks of the business are divided into two broad categories, being operational risk and investment risk.

#### **Operational risk**

The Audit & Risk Committee is responsible for assisting the Board in relation to the oversight of operational risks. This includes managing risks such as fraud, legal and regulatory issues, insurance, property damage, security of technology, privacy, compliance and operating systems.

The responsibility for day to day identification and management of operational risks has been delegated to senior management, which reports to the Audit & Risk Committee with any significant risk related matters and recommends any necessary changes to the Company's risk management framework.

#### **Investment risk**

The Board as a whole is responsible for the oversight of investment risk, which focuses particularly on ensuring that the Manager and the Portfolio Manager are devising and maintaining an investment strategy which ensures that portfolio risk is consistent with the Company's business objectives. The objectives and guidelines for the investment of the Company's portfolio are set out in the Portfolio Management Agreement. The portfolio is spread amongst security holdings across a range of countries and sub-sectors within the infrastructure sector. The investee organisations therefore carry a range of inherent risk characteristics which are assessed by the Portfolio Manager as part of the investment process.

The business carries inherent investment risk as its revenue is generated from investing in tradeable securities which fluctuate in price and dividend yield. However, the benefit of a portfolio diversified by geography and sub-sectors is that a given event may impact some of the investments in the portfolio differently to others. The result is that the overall risk of the Company's portfolio is reduced, as an event that negatively impacts one investment may benefit another. A large diversified portfolio and a conservative but active investment philosophy means that the Company controls and monitors investment risk to achieve its business objective.

The operations of the Company are managed by the Manager. The responsibility for managing day to day business risk is delegated to the Managing Director who oversees an experienced team of senior executives.

Details of key risk factors applicable to the Company are provided in the Notes to the Financial Statements in the 2016 Annual Report, which is available on the Company's website at:

<http://www.argoinfrastructure.com.au/announcements/annual-report>

The Risk Management Policy is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Risk-Management-Policy-approved-2June16.pdf>

## **7.2 Risk management framework**

### **Board**

The Board, with the assistance of the Audit & Risk Committee, is responsible for overseeing the risk management framework and satisfying itself that the Company has a sound system of risk management and internal control.

The risk management framework has been adopted by the Board and is considered to be operating effectively.

### **Management**

The risk management procedures have been designed and implemented by management, approved by the Board and are available within the Company's Risk Management Policy.

The procedures involved in the management of material business risks include:

- identification of inherent business risks faced by the Company;
- monitoring of the business environment to identify changes to these risks or identify new risks;
- collation of the most significant possible risk events into the 'material risk register' according to potential impact of the events should they occur;
- analysis of the material risk register items as to their likelihood, consequences, existing internal controls and options for further action;
- regular management reports to the Audit & Risk Committee regarding the material risk register, the effectiveness of the risk management framework and any relevant events or changes in the internal control or risk environment; and
- an annual review of the Risk Management Policy and procedures by the Audit & Risk Committee and the Board.

## **7.3 Internal audit function**

The Company does not have a formal internal audit function, as suggested by Recommendation 7.3 of the Principles and Recommendations. However, due to the size and nature of its administrative and financial operations, the Board considers that an internal audit function is not appropriate or efficient. This determination is reviewed regularly to ensure it still applies. The responsibility for the internal risk management and the internal control system lies with the Managing Director and the Chief Financial Officer, who report to the Audit & Risk Committee.

The external auditor may be requested from time to time by the Audit & Risk Committee to perform extra procedures in relation to internal controls, substantiation or other verification testing.

## **7.4 Exposure to sustainability risks**

### **Economic**

The Company was both incorporated and listed on the ASX in 2015. The Manager is a subsidiary of Argo which was established in 1946 and has a long history of successful economic sustainability. The Board of the Company has a broad range of experience in funds management, infrastructure and the financial services sector generally. The Company has no debt, a large and diversified portfolio, is conservatively but actively managed and its primary objective is maximising long-term return to shareholders through a balance of capital and dividend growth.

### **Environmental**

As an investment company with no employees, the Company itself does not impact the environment directly to any significant extent.

However, the Company is aware that the rapid growth of the global economy has focused the attention of investors on environmental efficiency. The Company has obtained an assurance from the Portfolio Manager that it monitors the environmental policies and impacts of investee companies as part of its investment process.

**Social sustainability**

The Company has no employees. However, the way the Company's representatives interact with the community must reflect our commitment to social sustainability.

The highest expectation of corporate conduct is at the heart of the Company's philosophy and business practice. The Board and senior executives are expected to deal with each other, with shareholders and with the community, with respect, integrity and transparency. The Company's Code of Conduct sets out these requirements in more detail.

Engagement and communication with shareholders, regulatory bodies and the broader community is conducted with timeliness, honesty and respect. The Company recognises that its reputation is integral to its brand and business success. Listening and responding to shareholder or community concerns is core to the Company's philosophy and management.

## **Principle 8: Remunerate fairly and responsibly**

### **8.1 Remuneration Committee**

The Company has not established a remuneration committee as suggested in Recommendation 8.1 of the Principles and Recommendations, as the services of the Managing Director, Chief Financial Officer and Company Secretary are provided to the Company as part of the contracted arrangements with the Manager. As there are no employees of the Company, the Board has determined that it is not necessary to establish a separate remuneration committee. Matters relating to the remuneration of Non-executive Directors are considered by the Board as a whole.

### **8.2 Remuneration**

The services of the Managing Director, Chief Financial Officer and the Company Secretary are provided in accordance with the Management Agreement and they are remunerated by the Manager. The Managing Director does not receive any Director's fees or any other form of remuneration from the Company for his services.

Non-executive Directors are remunerated by fees set annually by the Board, subject to a maximum aggregate annual remuneration of \$400,000 pursuant to Section 62 of the Company's Constitution. Statutory superannuation is paid on behalf of Non-executive Directors but they do not participate in any incentive plans or receive any performance based remuneration.

Details of the remuneration of the Non-executive Directors is set out in the Remuneration Report, in the Directors' Report within the 2016 Annual Report, which is available on the Company's website at:

<http://www.argoinfrastructure.com.au/announcements/annual-report>

The Policy for Performance Evaluation and Remuneration of the Board and Evaluation of Executives is available on the Company's website at:

<http://www.argoinfrastructure.com.au/assets/docs/general/AGLI-Perf-Eval-and-Remun-Policy-approved-2June16.pdf>

### **8.3 Equity-based remuneration**

The services of the Managing Director and other senior executives are not remunerated by the Company (including any equity based remuneration) as the services are provided by the Manager in accordance with the Management Agreement.

The Non-executive Directors do not receive any equity based remuneration.