

# CORPORATE GOVERNANCE STATEMENT

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**For the year ended 30 June 2018**

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This statement outlines Enero Group Limited's corporate governance framework and practices in the form of a report against the Australian Securities Exchange ("ASX") Corporate Governance Principles and Recommendations, 3rd edition ("Principles").

The Board of Enero Group Limited ("the Company") is responsible for the corporate governance of the Company and its subsidiaries. This Corporate Governance Statement was authorised for issue in accordance with a resolution of the Directors on 28 August 2018.

ASX Corporate Governance Principles and Recommendations:

## **1. Laying solid foundations for management and oversight**

### **1.1 Responsibilities of the Board and management**

#### *1.1.1 Board of Directors*

The Board has approved a formal Board Charter, which details the Board's role, powers, duties and functions.

A copy of the Board Charter is available on the Enero website.

The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Group in order to carry out the objectives of the Group.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

**Oversight of the Company:** overseeing the Group and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.

**Strategy and planning:** overseeing the development and implementation of the Group's strategic plan.

**Shareholder liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

**Monitoring, compliance and risk management:** overseeing and reviewing the Company's risk management and internal control framework as well as accountability systems and corporate reporting systems.

**Financial:** adopting the annual budget and financial statements as well as monitoring and directing the financial and operational performance of the Company including capital management.

**Human resources:** appointing and, where appropriate, removing the Chief Executive Officer (CEO) and Company Executives as well as reviewing the performance of the CEO and monitoring the performance of Company Executives in their implementation of the Company's strategy.

**Ensuring the health, safety and wellbeing of employees:** in conjunction with the Executive team, developing, overseeing and reviewing the effectiveness of the Company's workplace health and safety systems to ensure the wellbeing of all employees.

**Delegation of authority:** determining delegations to Board Committees and management.

### *1.1.2 Senior executives*

Day-to-day management of the Company's affairs and implementation of the corporate strategy and policy initiatives are delegated by the Board to the CEO and senior executives.

## **1.2 Appointment of Directors**

The Constitution of the Company provides that the number of Directors must not be less than three and not more than twelve. The names of the Directors of the Company in office at the date of this report are set out in the Directors' Report of the 2018 Annual Report. There are currently six Directors, each of whose skills, experience and expertise are described in the Directors' Report of the 2018 Annual Report. There is one Executive Director (Matthew Melhuish) and five Non-Executive Directors (John Porter, Susan McIntosh, Anouk Darling, Ian Rowden and David Brain).

When a vacancy exists for a Board position, through whatever cause, or where the Board considers that it would benefit from the services of a new member with particular skills, the Remuneration and Nomination Committee will consider candidates having regard to:

- what may be appropriate for the Company;
- the skills, expertise and experience of the candidates;
- the desirability of those skills, expertise and experience when combined with those of the existing Directors; and
- the perceived compatibility of the candidates with the Company and with the existing Directors.

The Board is committed to ensuring that Directors appointed to the Board hold a mix of skills and experience and that Board composition reflects the Company's commitment to diversity.

The Board undertakes appropriate background checks before the appointment of a new Director including an assessment of their qualifications and experience and details of any material directorships held by the candidate.

As required under Enero's Constitution and the ASX Listing Rules, a Director newly appointed during the relevant year since the previous Annual General Meeting, excluding any Managing Director, must stand for election at the next Annual General Meeting. Retiring Directors are eligible for re-election by shareholders.

No Director (other than the Managing Director) may hold office past the third Annual General Meeting following the Director's appointment or more than three years (whichever is longer) without standing for re-election. The Company must hold an election of Directors each year at the Annual General Meeting.

### 1.3 Agreements with Directors and senior executives

The Company has written service agreements with Directors and senior executives setting out the terms of appointment.

In relation to Directors, the agreement sets out term of appointment, remuneration, compliance with Company policies, ongoing rights and confidentiality obligations and indemnity and insurance obligations.

In relation to senior executives, the agreement sets out term of appointment, remuneration, compliance with Company policies, description of their position, duties, circumstances in which employment will be terminated and any entitlements on termination.

### 1.4 Company Secretary

The Company Secretary is accountable to the Board on all matters relating to the functioning of the Board and all Directors have access to the Company Secretary. The Company Secretary role includes advising the Board on governance matters and monitoring that Board and Committee policy and procedures are followed.

### 1.5 Diversity Policy and promoting diversity

#### *1.5.1 Diversity policy*

The Board has adopted a Diversity policy which describes the Company's commitment to ensuring a diverse mix of skills and talent amongst its Directors, officers and employees, to enhance Company and Group performance. The Diversity policy addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees and outlines the process by which the Board will set measurable objectives to achieve the aims of its Diversity policy, with particular focus on gender diversity within the Group. The Board is responsible for monitoring Group performance in meeting the Diversity policy requirements, including the achievement of diversity objectives. A copy of the Diversity policy is available on the Enero website.

The Company promotes an environment which is conducive to the employment of well qualified employees, senior management and Board candidates regardless of gender, race or age. Individual entities are responsible for and are encouraged to adopt work practices which ensure that they are able to attract and keep the best employees, regardless of gender, age or race; such measures include flexible work practices, part-time work and, in some instances, paid maternity leave which exceeds the prescribed amounts in the Australian Government Paid Parental Leave Scheme.

The Company continues to monitor and seek to identify ways in which it can promote a corporate culture which embraces diversity when determining the composition of employees, senior management and the Board, including continuing to recruit employees and Directors from a diverse pool of qualified candidates.

#### *1.5.2 Proportions of men and women*

Women are well represented at Board and senior management level within the Company. Susan McIntosh has been a Director of Enero since June 2000 and with Anouk Darling are two of the six Directors (33%) on the Board. Women represent 25% of the Enero Executive team, approximately 49% of Senior Managers and approximately 66% of employees across the Company as at the conclusion of the reporting period.

The Group has defined Senior Managers as those employees who have remuneration in excess of AUD \$150,000 (or the equivalent foreign currency amount).

The Remuneration and Nomination Committee has been charged with the duty to review and report annually on the relative proportion of women and men in the workforce at all levels of the Group.

As part of the Company's ongoing commitment to gender diversity and equality, the Company has lodged an annual public report to the Workplace Gender Equality Agency. A copy can be obtained from the Enero website.

## 1.6 Evaluation of Board performance

The Chair is responsible, in the first instance, for monitoring the contribution of individual Directors, and providing guidance on any areas for improvement.

The Board undertakes an annual self-assessment of both its collective performance and that of individual Directors and seeks specific feedback from the senior management team on particular aspects of its performance. The Remuneration and Nomination Committee oversees this annual performance assessment program. The Deputy Chair is responsible for the performance evaluation of the Chair.

In addition, each Board Committee undertakes an annual self-assessment of the performance of the committee and the achievement of committee objectives. The performance of the CEO is reviewed annually by the Remuneration and Nomination Committee and the Board. The performance of the CEO is reviewed annually against set performance goals and competencies. Performance evaluation of the Board, its committees and Directors has taken place during the reporting period in accordance with the process disclosed.

From the most recent performance evaluation of the Board there were no specific changes to the governance practices of the Company.

## 1.7 Evaluation of senior Executives' performance

The performance evaluation of key Executives is undertaken by the Board, in conjunction with the CEO, on both a formal regular and informal ongoing basis.

Each senior Executive's performance is reviewed at least annually. Performance evaluation of senior Executives has taken place during the reporting period in accordance with the process disclosed.

The process for evaluating the performance of senior Executives and the remuneration policy for senior Executives is further discussed in the Remuneration Report.

## 2. Structuring the Board to add value

### 2.1 Nomination Committee

The Board has a Remuneration and Nomination Committee whose purpose is to seek and nominate qualified candidates for election or appointment to the Company's Board. Details regarding the composition and responsibilities of this Committee are set out in item 8.1 of this Corporate Governance Statement.

### 2.2 Board skills matrix

In determining the composition of the Board, the Remuneration and Nomination Committee ensures that the Board has an optimal size and mix of skills to facilitate efficient and appropriate decision-making.

Details of the skills, experience and expertise of each Director are set out in the Directors' Report of the 2018 Annual Report.

The Board has an appropriate matrix of skills including:

- relevant industry experience in the marketing and communications sector;
- Board members with Directorships in other listed entities;
- international experience in markets in which the Group operates (predominantly Australia, UK, Europe and USA); and
- corporate leadership and strategy;
- finance, governance & risk; and
- mergers & acquisitions.

Based on the Board being satisfied with its current skills matrix, the Board is not actively seeking to achieve any change to the skills matrix.

### 2.3 Independent Directors

The Board meets the ASX Corporate Governance Council's recommendation that a majority of the Board should be independent. Directors of the Company are:

Name	Role	Appointed	Length of service
John Porter	Independent Non-Executive Director (Chairman)	April 2012	7 years
Susan McIntosh	Non-Executive Director	June 2000	19 years
Anouk Darling	Independent Non-Executive Director	February 2017	3 years
Ian Rowden	Independent Non-Executive Director	November 2018	6 months
David Brain	Independent Non-Executive Director	10 May 2018	1 year
Matthew Melhuish	Executive Director	January 2012	7 years

The Board uses the following criteria to determine and confirm the independence of each Board member:

- the Director is not:
  - a substantial shareholder of the Company; or
  - an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- the Director is not employed in an executive capacity by the Company or its subsidiaries, or if the Director has previously been employed by the Company or its subsidiaries, there has been a period of at least three years between ceasing such employment and serving on the Board;
- the Director has not been a principal of a material professional advisor or a material consultant to the Company or its subsidiaries, or an employee materially associated with the service provided within the last three years;
- the Director is not a material supplier or customer of the Company or its subsidiaries, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- the Director has no material contractual relationship with the Company or its subsidiaries other than as a Director; and
- the Director has not been on the Board for such a period of time that independence may have been compromised.

Susan McIntosh is not considered independent because she is an officer of the RG Capital group of companies, which has a substantial holding in Eneo. Matthew Melhuish is not considered independent because he is employed in an Executive capacity.

The Board assesses whether each Non-Executive Director is independent on appointment and at least annually.

In relation to conflicts of interest, Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Group; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflicts of interest.

If a Director cannot or is unwilling to remove a conflict of interest, then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters to which the conflict relates.

## 2.4 Majority independent Directors

Four of the six Directors are classified as independent and therefore this meets with the ASX recommendation that the majority of Directors should be independent.

## 2.5 Independent Chair and roles of the Chair and CEO

The Chair of Eneo, John Porter, is an independent Non-Executive Director. This meets with the ASX Recommendation that the Chairman should be an independent Director.

The roles of Chair and CEO are not exercised by the same individual. The division of responsibilities between the Chair and the CEO has been agreed by the Board.

The Chairman is responsible for:

- leadership of the Board;
- overseeing the Board in the effective discharge of its supervisory role;
- promoting a strong relationship between the Board and management; and
- ensuring there is regular and effective evaluation of the Board's performance.

The CEO is responsible for:

- leadership of the management team;
- day-to-day management of the Group's operations; and
- implementation of the Group's strategies.

## 2.6 Induction and professional development of Directors

New Directors undergo an induction process conducted by the Company Secretary in which they are given a full briefing on the Group. Information made available to new Directors includes:

- meetings and presentations from senior Executives;
- information regarding conduct and contribution expectations;
- details of relevant legal requirements;
- a copy of the Board Charter and relevant Committee Charter;
- management reports of the Group;
- a copy of the current strategic plan of the Group and annual budget; and
- a copy of the Constitution of the Company.

The Board does not have a formal procedure for Directors to take professional advice at the expense of the Company; however, the Directors have the ability to do so. This includes continuing professional development opportunities for Directors.

## 3. Promoting ethical and responsible decision making

### 3.1 Company Code of Conduct

To assist the Board in carrying out its functions, Eneo has developed a Code of Conduct to guide the Directors, the CEO and other key Executives in the performance of their roles. The Company Code of Conduct was adopted by resolution of the Board on 27 May 2004. This Code covers the following expectations in relation to the following matters:

- responsibilities to shareholders and the financial community generally;
- responsibilities to clients, customers and consumers;
- employment practices;
- obligations relative to fair trading and dealing;
- conflicts of interest;
- compliance with legislation affecting its operations; and
- how the Company monitors and ensures compliance with its Code.

The Code of Conduct is complemented by a range of additional policies including the Securities Trading Policy, Continuous Disclosure Policy, Media and Communications Policy and Workplace Health and Safety Policy.

A copy of the Code of Conduct is available on the Enero website.

The Company's Share Trading Policy covering trading in Company securities allows Directors and key employees to deal in Enero securities, subject to obtaining clearance during certain trading windows.

All Directors and employees are prohibited from trading in Company securities at any time if they possess price-sensitive information not available to the market which could, reasonably be expected to influence the market. The Company's Share Trading Policy also prohibits margin lending, hedging and short selling of the Company's securities by Directors and key employees.

## **4. Safeguarding integrity in corporate reporting**

### **4.1 Audit and Risk Committee**

The Audit and Risk Committee consists only of Non-Executive Directors, including a majority of independent Directors. The three current members of the Audit and Risk Committee are Anouk Darling, Susan McIntosh and David Brain.

Anouk Darling has been the Chair of this Committee since 18 October 2018. She is an independent Director. The Chair of the Audit and Risk Committee cannot be the Chair of the Board. All members can read and understand financial statements, are otherwise financially literate and understand the industry which the Company operates in.

The details of the members' qualifications can be found in the Directors' Report of the 2018 Annual Report.

The Audit and Risk Committee Charter sets out the Committee's role and responsibilities, structure, membership requirements and procedures. The Committee meets at least four times each year and reports to the Board on all matters within its role and responsibilities. The Audit and Risk Committee meets with an external auditor at least twice a year. Members of management and the external auditors attend meetings of the Audit and Risk Committee by invitation. The Audit and Risk Committee may also have access to financial and legal advisers, in accordance with the Board's general policy.

Details of the number of meetings of the Audit and Risk Committee and the names of attendees can be found in the Directors' Report of the 2018 Annual Report.

The Audit and Risk Committee monitors and reviews the effectiveness of the Group's controls in the areas of operational and capital risk, legal, compliance and corporate reporting. The Committee discharges these responsibilities by:

- establishing policy and overseeing the adequacy of the controls established by senior management to identify and manage areas of potential risk and to safeguard the assets of Enero;
- overseeing Enero's relationship with the external auditor (KPMG) and the external audit function generally including selection, appointment, rotation and removal of the external auditor, audit fees and independence of the auditor;
- evaluating the processes in place to ensure that accounting records are properly maintained in accordance with statutory requirements, and that financial information provided to investors and the Board is accurate and reliable; and
- monitoring procedures in place to ensure Enero is compliant with various legislative and reporting requirements for financial statements, including the Corporations Act and ASX Listing Rules.

The Audit and Risk Committee has also adopted a policy on the provision of non-audit services, and complies with the statutory requirements regarding the rotation of external audit personnel. All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor.

The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work,

acting in a management or decision-making capacity for the Company, acting as an advocate for the Company, or jointly sharing risks and rewards.

The Audit and Risk Committee reviews the audited annual and half-yearly financial statements and other reports which accompany published financial statements before submission to the Board, and recommends their approval.

A copy of the Charter is available on the Enero website.

## 4.2 Statement of CEO and CFO in relation to assurance

The Board has received assurance from the CEO and the Group Finance Director that the declaration provided by them in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that, in their opinion:

- financial records have been properly maintained;
- financial statements, in all material aspects, are complete and present a true and fair view of the financial position and operational results of the Group and are in accordance with relevant accounting standards;
- the above statement is founded on a sound system of financial risk management and internal control, which implements the policies adopted by the Board; and
- risk management and internal control is operating efficiently and effectively in all material respects in relation to financial reporting risks and material business risks.

The Board notes that due to its nature, internal control assurance from the CEO and Group Finance Director can only be reasonable rather than absolute. This is due to factors such as the need for judgement and because much of the evidence available is persuasive, rather than conclusive, and therefore does not, and cannot be designed to, detect all weaknesses in control procedures.

## 4.3 Annual General Meeting (AGM)

The external auditor attends the AGM each year and is available to answer any questions from security holders relevant to the audit.

## 5. Making timely and balanced disclosure

### 5.1 Policy for compliance with continuous disclosure

Enero has established a Continuous Disclosure Policy to ensure compliance with the ASX Listing Rules disclosure requirements and provide timely and accurate information to its investors and regulators.

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX, as well as communicating with the ASX.

A copy of the Company's Continuous Disclosure Policy is available on the Enero website.

## 6. Respecting the rights of security holders

### 6.1 Company website

Communications with investors occurs via ASX announcements, the annual report, half and full year review meetings and other briefings from time to time. All information disclosure to the ASX is available on the Company's website.

The Company encourages shareholders to participate in the AGM of the Group. The Company seeks to choose a date, venue and time for the AGM that is convenient to the greatest number of its shareholders. Explanatory memorandums on the resolutions are included in the notice of meeting.

The Company's website [www.enero.com](http://www.enero.com) has a wide range of information available about the Group including an overview of the Group's operations and details on the Company's securities registry.

### 6.2 Investor relations program

To facilitate the effective exercise of the rights of shareholders, the Company is committed to ensuring that all external communications with shareholders will:

- be factual;
- not omit material information; and
- be timely and expressed in a clear and concise manner.

The Company makes the CEO and Group Finance Director available to investors during specific periods of the year to conduct briefings on the Group financial performance and operations.

The Company makes available a telephone number and email address for shareholders to make enquiries of the Group.

### 6.3 Security holder participation at meetings

The Company makes available all of the Directors at the AGM each year. Security holders have the right to ask questions of the Directors in relation to any Company matters.

The Company facilitates online voting on resolutions through its share registry.

### 6.4 Electronic communications

The Company gives all security holders the option to receive communications from the Company or the share registry, and send communications electronically either to the Company or the share registry.

## 7. Recognise and manage risk

### 7.1 Risk Committee

The Board has an Audit and Risk Committee whose purpose is to ensure the Company has adequate processes for managing risk and internal controls. Details regarding the composition and responsibilities of this Committee are set out in item 4.1 of this Corporate Governance Statement.

### 7.2 Risk oversight and management

Enero recognises that identification and effective management of risk is viewed as an essential part of good corporate governance and the Company's approach to creating long-term shareholder value.

The Company has an established risk management framework designed to identify and respond to risks in a way that creates value for Enero shareholders, and to allow the Company to meet its long-term growth objectives. The framework includes specific risk management activities in core areas of risk for the Group, including operational, financial reporting and compliance risks.

The risk management framework adopted by the Company includes:

- process for identification of the material business risks faced by the Company;
- prioritisation of material business risks;
- identification of controls to manage the key risks; and
- ongoing reporting and discussion of material business risks throughout the year.

Risk management is a key element of Enero's strategic planning and decision making. Enero strives to balance the risks and rewards in conducting business to optimise returns, in accordance with its goals of delivering shareholder value and its commitments to stakeholders, customers and the broader community.

Management, through the CEO, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Audit and Risk Committee on the Company's key risks and the extent to which it believes these risks are being managed. This is performed on an annual basis or more frequently as required by the Board. The most recently conducted annual risk review did not result in any changes to the risk management framework.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound risk management and internal control system. Detailed work on this task is delegated to the Audit and Risk Committee and reviewed by the Board. The Audit and Risk Committee also oversees the adequacy of the Company's risk reporting from management.

Strategic and operational risks are reviewed at least annually by all operating businesses as part of the annual strategic planning and budgeting process. The CEO and MDs of the Company's subsidiaries are required to report to the Board each month on operational risks. These are then reviewed by the Enero Executive team each month; and by external auditors as part of the half-yearly reporting to shareholders.

The General Counsel and Company Secretary monitor the Company's compliance with its legal and regulatory obligations. Senior management meets regularly to deal with specific areas of risk, such as treasury risk and foreign exchange rates, and provides reporting to the Board on these areas at least annually.

The Risk Management Policy is available on the Enero website.

### 7.3 Internal audit function

The Board has not implemented an internal audit function. The Board believes the nature and size of the Company's operations currently do not require a separate function to the functions performed by the Company's finance department, Audit and Risk Committee and external auditors. Risk management procedures are reviewed, evaluated and updated annually by the Audit and Risk Committee.

### 7.4 Material exposure to economic, environmental and social sustainability risks

The Board does not consider it has any material risk exposure to environmental and social sustainability risks due to the nature of the business.

The Risk Management Policy outlines the specific risk management activities, across core areas for the Group, of operational and compliance risks.

## 8. Remunerate fairly and responsibly

### 8.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists only of Non-Executive Directors, including a majority of independent Directors. The current members of the Remuneration and Nomination Committee are John Porter, Susan McIntosh and Ian Rowden.

John Porter has been the Chair of this Committee since 18 October 2016. He is an independent Director.

The Remuneration and Nomination Committee reviews and makes recommendations to the Board on remuneration packages and policies, including but not limited to succession planning, recruitment and the appointment of the CEO, senior Executives and Directors themselves, and overseeing succession planning, selection and appointment practices and remuneration packages for management and employees of Enero.

The Remuneration and Nomination Committee has adopted a Charter, a copy of which is available on the Company's website.

Details of the number of meetings of the Remuneration and Nomination Committee and the names of the attendees can be found in the Directors' Report of the 2018 Annual Report.

The responsibilities of the Remuneration and Nomination Committee include setting policies for senior officers' remuneration, setting the terms and conditions of employment for the CEO, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, making recommendations to the Board on any proposed changes to the Board, and undertaking an annual review of the CEO's performance, including setting the CEO's goals for the coming year and reviewing progress in achieving these goals.

## 8.2 Senior Executives', Executive Directors' and Non-Executive Directors' remuneration

The Senior Executive Remuneration Policy was approved by resolution of the Board in September 2004 and the Non-Executive Director Remuneration Policy was approved by resolution of the Board on 25 March 2004.

### 8.2.1 Senior Executive Remuneration

The Group is committed to remunerating its senior Executives in a manner that is market-competitive and consistent with best practice, as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy, the remuneration of senior Executives may be comprised of (or some combination of) the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations including statutory superannuation;
- a short-term incentive designed to reward actual achievement by the individual of performance objectives and Company performance targets; and
- participation in the equity-based incentive scheme.

By remunerating senior Executives through performance and long-term incentive plans, in addition to their fixed remuneration, the Company aims to align the interests of senior Executives with those of shareholders, and increase Company performance.

Details of the amount of remuneration, including both monetary and non-monetary components, for each of the (non-Director) Executives during the year (discounting accumulated entitlements) are detailed in the Directors' Report of 2018 Annual Report.

### 8.2.2 Non-Executive Director Remuneration

The Constitution provides that the Non-Executive Directors are each entitled to be paid such remuneration from the Company as the Directors decide for their services as a Director, but the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company in a general meeting. This amount is currently fixed at \$750,000. The remuneration of Non-Executive Directors must not include a commission on, or a percentage of, profits or operating revenue. Directors may also be reimbursed for travelling and other expenses incurred in attending to the Company's affairs. Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra services or makes exertions for the benefit of the Company.

Non-Executive Directors are entitled to statutory superannuation, but do not otherwise receive retirement benefits.

Details of the amount of remuneration, including both monetary and non-monetary components, for each of the Directors paid during the year (discounting accumulated entitlements) are detailed in the Directors' Report of the 2018 Annual Report.

## 8.3 Equity-Based Remuneration

The Company has an equity-based remuneration plan.

The Share Appreciation Rights (SAR) Plan allows selected Executives to participate in appreciations to the Enero share price over specified vesting periods.

Enero has a Securities Trading Policy which applies to Directors, senior Executives and certain employees (and their associates). The policy prohibits Directors and employees from trading in Enero's securities if they are in possession of price-sensitive information which is not generally available to the market. It also prohibits dealings by Directors and certain

employees outside trading windows. During trading windows Directors and certain employees must seek clearance from the delegated officer prior to conducting a trade.

The Company prohibits participants in the SAR to hedge or otherwise limit the economic risk of participating in the plan unless the securities have vested.

The Company also prohibits Key Management Personnel from entering into transactions that involve using Enero's securities as collateral for a financial transaction, including margin lending.

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