

CORPORATE GOVERNANCE POLICIES

CENTURY AUSTRALIA INVESTMENTS LIMITED

Approved by the Board 10 August 2016

BOARD CHARTER

ROLE

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address (a) the prudential control of the Company's operations, (b) the resourcing, review and monitoring of outsourced service providers, (c) the timeliness and accuracy of reporting to shareholders and (d) the determination of the Company's broad objectives.

FUNCTIONS

Specifically, the Board is responsible for:

- Ensuring that Century Australia Investments Limited operates in accordance with the Company's Constitution, Corporations Act 2001 and ASX listing rules;
- Setting objectives, goals and strategic direction with a view to maximising shareholder value;
- Validating and approving corporate strategy and policies;
- Monitoring and reviewing business results, external service providers and the Board itself;
- Monitoring and assessing the investment manager's performance ensuring this is consistent with corporate strategy;
- Confirming that the investment manager has operated in accordance with the Board approved investment process (as disclosed in the Company's Annual Report),
- Reviewing internal controls and systems for effectiveness and external audit reports;
- Approving financial reports and other public documents for disclosure to shareholders and the market;
- Ensuring adequate risk management processes;
- Monitoring the reputation and ethical standards of the Company;
- Ratifying the appointment of the Company Secretary.
- Establishing Corporate Governance and Codes of Conduct, legal and accounting compliance systems, as well as monitoring compliance with those systems;
- Communicating with and protecting the rights and interests of all shareholders;
- Ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- Conducting an annual review of the Board membership with regard to the diversity, present and future requirements of the Company and make recommendations as to composition and appointments;
- Ensuring that appropriate and effective remuneration packages and policies are implemented;
- Review of Board succession plans to maintain an appropriate balance of skills, experience , expertise and diversity;
- Conducting an annual review of the time required from non-executive directors, and whether the directors are meeting this; and
- Conducting an annual review of the independence of directors.

RIGHTS AND RESPONSIBILITIES

The Board has no direct involvement with the management of the Portfolio. Although, the Board will monitor the compliance of the Manager with regards to the terms and conditions of the Investment Management Agreement, the performance of the Company is dependent upon the performance of the Manager.

Operation and development of the Company, consistent with the directions and standards set by the Board, is delegated to the Chairman, and to the various Board Committees.

COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- A minimum of three directors;
- An independent, non-executive director as Chairman;
- A majority of non-executive directors; and
- A majority of independent directors.

BOARD COMMITTEES

The Board has established an Audit Committee. This committee has a written mandate and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Audit Committee, consisting of Stephen Menzies (Chairman), Robert Turner and Ross Finley is responsible for considering the effectiveness of the systems and standard of internal control, financial reporting, risk management and any other matters at the request of the Board.

OPERATION OF THE BOARD

The Board currently holds four scheduled meetings each year plus any other meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman and the Company Secretary. Standing items include matters of Compliance and Reporting, Financials, Shareholder Communications and Investment Returns and Outcomes. Submissions are circulated in advance and Board and Committee papers are generally provided to Directors at least five days prior to the relevant meeting.

Each director has the right of access to all relevant company information and subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. However, prior approval of the Chairman is required and this will not be unreasonably withheld. A copy of advice received by the director is made available to all other members of the Board.

BOARD POLICIES

The Board has adopted the following policies:

- Code of Conduct and Ethics
- Trading Policy
- Disclosure Policy
- Communication Policy
- Risk Management Policy
- Performance Evaluation Policy

The Board reviews each of these policies at least annually.

ASSESSMENT OF INDEPENDENCE OF DIRECTORS

S. MENZIES (Appointed 16th January 2006)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	Yes	Independent, given no other findings

Conclusion – Independent Director.

R. TURNER (Appointed 10th February 2004)

(ASX Recommendation 2.5 – The chairperson should be an independent director)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	Yes	Independent, given no other findings

Conclusion – Independent Director

ASSESSMENT OF INDEPENDENCE OF DIRECTORS

R. FINLEY (Appointed 11th September 2006)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	No	Independent

Conclusion – Independent Director

G. WILSON (Appointed 22nd September 2014)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	Yes	Not independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	No	Independent

Conclusion – Non - Independent Director

SUMMARY

The Board of Century Australia Investments Limited is well structured to add value, comprising of three Independent Directors and the Chairperson being an independent director. Geoffrey Wilson's substantial shareholding was noted in the announcement of his appointment to the Board on 22 September 2014. There has been no further loss of independence that requires disclosure with the ASX.

APPOINTMENT AND SELECTION OF NON-EXECUTIVE DIRECTORS

POLICY

To ensure the Board consists of members with the range of skills and qualities to ensure that the interests of shareholders and stakeholders are promoted and protected.

The Board's target is to ensure that (as a minimum) directors collectively have investment accounting, general business experience and shareholder representation.

Board skills matrix

The Board seeks to ensure as a minimum the Board's skills matrix includes:

- (a) Each Director must be capable of making a valuable contribution to the effective and prudential operation of the Company and Board deliberations and processes;
- (b) Directors must collectively have the necessary skills, knowledge and experience to understand the risks of the Company, including its legal and prudential obligations and to ensure that the Company is managed in an appropriate way taking into account these risks;
- (c) All Directors must be able to read and understand fundamental financial statements and if required, may seek guidance from an independent professional advisor who is appropriately qualified in the area of finance and accounting.

The Board believes it has adequate representation of the necessary skills and requirements noted above.

Directors have a usual term of two years, and a maximum term of 3 years, before retiring by rotation and standing for re-election. The Board assesses annually the term of office of all Directors, in particular those who have served on the Board for longer than 10 years, to ensure the length of service does not compromise their independence. Although Directors have served in office for over 10 years this is not considered to impair their independence where all other criteria are met and where Directors are not associated with the Investment Manager or its related entities.

The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment. A director may resign from office by giving the Company notice in writing.

PROCEDURE FOR THE SELECTION AND APPOINTMENT OF NON-EXECUTIVE DIRECTORS TO FILL A VACANCY

- Assess the current Board's skills and qualities;
- Assess the needs of Century Australia Investments Limited's operations currently and going forward;
- Develop selection criteria for potential board candidate(s). The composition of the Board is monitored (both in respect of size, diversity and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background;
- The Board to generate a list of potential candidate(s) who may fill the stated criteria and agree an order of preference;
- Chairman approaches desired candidate(s);

- Company Secretary to undertake appropriate checks before the Board appoint a person or put forward a candidate for election as a Director. Following the 2014 AGM all appropriate checks will be undertaken by the Company for new and re-elected candidates. In addition, the Board will continue to provide security holders with all material information in its possession relevant to any decision to elect or re-elect a Director by inclusion in any Notice of Meeting.
- Candidate is appointed to the Board in accordance with the Constitution, Listing Rules and the Corporations Act 2001.

PROCEDURE FOR RE-APPOINTING NON-EXECUTIVE DIRECTORS

- Assess the current Board's skills and qualities;
- Assess the needs of Century Australia Investments Limited's operations currently and going forward;
- Develop selection criteria for potential Board candidate(s). The composition of the Board is monitored (both in respect of size, diversity and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background;
- The Board measure the retiring director's skills against the criteria;
- Directors discuss and agree whether the retiring director should stand for re-election at the next annual general meeting;
- Company Secretary to undertake appropriate checks before the Board appoint a person or put forward a candidate for election as a Director. Following the 2014 AGM all appropriate checks will be undertaken by the entity for new and re-elected candidates. In addition, the Board will continue to provide security holders with all material information in its possession relevant to any decision to elect or re-elect a Director by inclusion in any Notice of Meeting.
- If recommended for re-appointment, the retiring director stands for re-election at the shareholder meeting in accordance with the Constitution, Listing Rules and the Corporations Act 2001. Otherwise the new director selection process commences.

A Director will cease to be a Director if the Director:

- Becomes of unsound mind or a person whose property is liable to be dealt with under law about mental health;
- Resigns or is removed under the Constitution; or
- Becomes insolvent under administration; or the Corporations Act 2001 so provides.

INDUCTION PROGRAM AND PROFESSIONAL DEVELOPMENT

Recommendation 2.6 states the 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 roles as directors effectively. Due to the small size of the Board an induction program or formal professional development program is not considered necessary for new and existing directors. The Chairman is best suited to address any queries a new Director may present on induction to the Board. Directors are expected to maintain their industry knowledge, however, Directors may also enquire of the Investment Manager, Administration Manager and External Auditors as is necessary should technical queries arise.

Each director has the right of access to all relevant Company information subject to prior consultation with the Chairman and, may seek independent professional advice at the Company's expense. A copy of advice received by the director is made available to all other members of the Board.

NOMINATION COMMITTEE

ASX Recommendation 2.1 – The board should establish a nomination committee.

Based on ASX recommendations, the nomination committee should consist of a minimum of 3 members, the majority being independent directors, and chaired by an independent director.

Due to the size of the Company it has not established a formal Nomination Committee and the functions of the Nomination Committee are undertaken by the full Board.

The Company does not employ staff directly, therefore, the Board do not consider a diversity policy incorporating gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity is relevant. The Board recognize that diversity of gender and background are two important criteria take these into account in developing Board succession plans and appointment. However, other selection criteria, in particular business acumen and industry experience, are also fundamentally important. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background. Given the Company has no employees, consideration of diversity does not extend beyond the Board and further disclosures in relation to policies are not considered relevant.

The Company considers the impact of size in the practical implementation of its diversity policy, and accordingly does not believe it would be practical to set measurable objectives to achieve diversity.

CODE OF CONDUCT AND ETHICS

CODE OF CONDUCT

The Board expects all directors to act professionally in their conduct.

The Company is committed to increasing shareholder value in a manner consistent with its responsibilities to all stakeholders.

Century Australia Investments Limited is committed to conducting its business in a way that is open, ensuring that the Company acts with integrity and objectivity.

Adherence to this code of conduct will ensure that Century Australia Investments Limited's reputation is maintained, and help promote investor understanding and confidence in the Company's disclosure, reporting and compliance activities.

Public statements have the potential to breach the Company's obligations in respect to confidential information, share trading and continuous disclosure. Directors should not make public statements unless authorized by the Chairman.

ETHICAL STANDARDS

The directors and officers in acting professionally in their conduct means that they will:

- Act with high standards of honesty, integrity, fairness and equity in all aspects, avoiding actual or potential conflicts of interest;
- Not do anything which would be likely to negatively affect Century Australia Investments Limited's reputation;
- Provide shareholders with timely and accurate information;
- Act lawfully and comply with the Constitution, Listing Rules, the Corporations Act 2001 and applicable Accounting Standards;
- Ensure confidential information is held, used and disclosed consistently with the Company's Privacy Policy (www.centuryaustralia.com.au);
- Protect and ensure efficient use of assets for legitimate business purposes;
- Promote ethical behaviour and fair dealing in all areas of the Company's operations.

Non-executive directors are encouraged to consult with their peers if in doubt as to an appropriate course of action. Any instance of unethical practice is required to be reported to the Chairman without delay.

The Board expects all Directors to adhere to the Company's Code of Conduct and Ethics at all times. Any subsequent amendment to the Code will be advised to the Directors, as such no formal training on the Code is considered necessary.

The Board monitors its outsourced service providers compliance with the Company's Code of Conduct and Ethics, which is accessible to outside parties via the Company's website.

TRADING POLICY

The Company encourages directors to have a personal financial interest in Century Australia Investments Limited, by acquiring and holding shares on a long-term basis.

1. Scope of this Policy

- 1.1 This policy applies to private dealings in Century's issued securities by Key Management Personnel (KMP)
- 1.2 Key Management Personnel (KMP) comprise the Directors of the Company and the Company Secretary only, as there are no employees of the Company or a closely related party of such a member.

2. Prohibitions on Dealing in the Company's Securities

- 2.1 KMPs must not deal in the Company's securities when they possess information which if disclosed might have a material effect on the market price of the Company's securities.
- 2.2 KMPs must not deal in the Company's securities during prohibited periods (closed periods) unless exceptional circumstances apply and written approval is given to a transaction in advance.
- 2.3 Prior to dealing in shares, Directors must inform the Chairman. Once the directors have traded in shares or otherwise dealt with any Century securities, they should immediately disclose this to the Board and Company Secretary to facilitate appropriate disclosure with ASX.
- 2.4 This policy does not preclude a Director or an entity controlled by a Director from taking up or renouncing an entitlement to the Company's shares or participating in the Company's Share Purchase Plan or the Dividend Reinvestment Plan.
- 2.5 KMPs must not engage in short term dealing in the Company's securities.

3. Prohibited (Closed) Periods

- 3.1 As the Company is a listed investment company announcing its Investment Update and Net Tangible Assets monthly on the ASX, the Board believes the shareholders are generally fully informed. A KMP must not deal in shares of the Company if they are in possession of price sensitive or 'inside information'. The Board has also nominated that a KMP may not deal in shares of the Company the 5 business days before the announcement of a dividend (or any other capital management initiative that might have a material impact on the share price), the half year or full year results of the Company
- 3.2 The Company may from time to time designate further periods of time as a prohibited period under this Policy.

4. Exclusions to the General Policy

4.1 The following circumstances are excluded from the application of Section 2 of this Policy.

- (a) Transfers of securities where there is no change in relevant interest;
- (b) An investment in an entity where the assets of the entity are invested at the discretion of a third party;
- (c) Responding to a corporate action or offer which has been made to all the Company's security holders of the same class;
- (d) Transactions conducted between a KMP and a close family member;
- (e) Transactions which are outside the control of the KMP, including those which result from the application of law.

5. Exceptional Circumstances

5.1 A KMP may be given approval to transact on the Company's securities if application is made in writing in advance to the Board, and only if the Board considers there to be a sufficiently exceptional circumstance that the implementation of the general Policy would produce an inappropriate outcome, and where the KMP is not in possession of any price sensitive information.

5.2 Approval provided by the Board will be provided in writing, including via email, and will specify the scope and timing of the transaction approved.

6. Insider Trading Policy

The Board of the Company has established the following Insider Trading Policy to apply to trading in the Company's shares on the ASX.

This policy applies to all KMP who must not deal in the Company's shares while in possession of price sensitive information. In addition, the General Share Trading Policy (see above) sets out additional restrictions which apply to KMP of the Company. The law imposes a number of significant restrictions on KMP when they deal in their Company's shares. As fiduciaries, these persons must not utilise their position for their own gain or for the gain of any person other than the Company.

The Corporations Act 2001 imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. Any perception of improper conduct by employees of the Company also has the potential to substantially damage the Company's reputation. The Company has established the policy set out in this document in an effort to prevent the incidence of insider trading in the Company's shares. The policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each KMP to comply with this policy.

6.1 Overview of the insider trading provisions in the Corporations Act 2001

It is illegal for anybody to deal in any shares of a body corporate (including the Company), when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available (including information that the Company has not disclosed to the market in accordance with the Company's Continuous Disclosure Policy); and
- (b) might have material effect on the price or value of those shares if it was generally available (Inside Information).

This prohibition extends to procuring another person to deal, and, in the case of shares of listed corporations, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the shares in question or procure another person to do so. To communicate Inside Information to another person is also an offence which carries both civil and criminal penalties. A KMP in possession of Inside Information about the Company has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person.

6.2 Dealing with security analysts, institutional investors and journalists

A KMP may be exposed to others outside the Company such as security analysts, institutional investors and journalists. It is important that all KMP be aware that selective disclosure of non-public information may result in a breach of the insider trading rules. It is important to emphasise that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed.

It is possible to convey information in breach of this policy and the Corporations Act 2001 by expressing subjective attitudes about the Company's performance or by calling attention to selective information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with any analyst, journalist or other outsider, material non-public information concerning the Company is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until the Company has made full public disclosure of the information. The Company Secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information.

No public comments should be made regarding any previously undisclosed operating results or other developments unless authorised by the Company.

AUDIT COMMITTEE

ASX Recommendation 4.1 – The board should establish an audit committee.

Based on ASX recommendations, the audit committee should consist of:

- Only non-executive directors
- A majority of independent directors
- An independent chairperson, who is not the chairperson of the Board
- At least three members

AUDIT COMMITTEE MEMBERS

Committee Position	Member	Independent
Chairman	Stephen Menzies	Yes
Member	Robert Turner	Yes
Member	Ross Finley	Yes
Member	Geoffrey Wilson	No

AUDIT COMMITTEE CHARTER

ROLE

The Audit Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matters at the request of the Board.

The committee will report to the Board on matters relevant to its role and responsibilities.

RESPONSIBILITIES

The responsibilities of the Audit Committee are to ensure:

- Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
- External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
- Recommendations for change to the Annual Report and other external reporting;
- Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
- The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
 - Reviewing the terms of engagement, scope and auditor's independence;
 - Recommendations as to the appointment, removal and remuneration of an auditor;
 - Reviewing the provision of any non-audit services provided by the external auditor, ensuring it does not adversely impact on audit independence;
- Review the Company's risk profile and assess the operation of the Company's internal control system (via an annual risk management review).
- Compliance with legal and regulatory requirements including requirements for the preparation and presentation of financial statements, and;
- Compliance by White Outsourcing Pty Limited with their provision of agreed services.

- The Audit Committee also makes recommendations on the entity's insurance program having regard to the entity's business and the insurable risks associated with its business. In respect of the current financial year no additional recommendations were made to the Board regarding the entity's insurance.
- As a Listed Investment Company ("LIC"), the Company has no direct material exposure to environmental or social sustainability risks. There is potential for indirect material exposure to environmental, social and economic sustainability risks through the entities in which the Company invests. Overall risk within the investment portfolio is part of the Company's investment process and is reviewed regularly by the Investment Manager. The Company does not consider it has any material exposure to environmental or social sustainability risks under Recommendation 7.4.

COMPOSITION OF THE COMMITTEE

The Audit Committee will be comprised of at least three independent non-executive directors on the Board. The Chairman of the Audit Committee will be an independent director who is not Chairman of the Board. A majority of the Audit Committee members will have experience in financial and accounting matters.

MEETINGS

As a minimum, the Audit Committee meets two times per annum. An agenda will be prepared and issued prior to each meeting. Minutes of each meeting will be taken by the Company Secretary and copies of minutes will be issued to each member of the Board.

The Audit Committee may have in attendance at their meeting such members of outsourced service providers as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

AUDIT

The Board monitors the performance of the annual & half-yearly audit performed by the External Auditor. If the Board considers that the external auditor of the Company should be changed, a special resolution will be put to shareholder vote at the following Annual General Meeting. External audit engagement partners are required by legislation to rotate their appointment every five years. The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

DISCLOSURE POLICY

OBJECTIVE

The objective of this policy is to ensure compliance with the ASX Listing Rules and the Corporations Act 2001 and to ensure accountability at a Board level for that compliance.

INFORMATION TO BE DISCLOSED

The ASX Listing Rule 3.1 requires Century Australia Investments Limited to inform the ASX immediately the Company becomes aware of any information that a reasonable person would expect to have a material effect on the Company's share price or value.

The Company will ensure compliance with this Charter and will disclose:

- price sensitive information to the ASX as soon as it becomes aware of that information;
- ensure that the information is not false, misleading or deceptive so as to avoid creating what would constitute a false market; and
- ensure that the information is disclosed clearly (expressed objectively), accurately and is complete.

In doing so the Company will ensure compliance with Listing Rule 15.7 that requires an entity not to release information to anyone until it has given the information to the ASX and has received an acknowledgement from the ASX that the information has been released to the market.

Chapter 4 of the ASX Listing Rules details the periodic reporting requirements, which include

- Half yearly reporting;
- Annual reporting; and
- Monthly net asset backing per share within 14 days of the end of the month.

All Australian Stock Exchange releases are available on the ASX website.

RESPONSIBILITY

The Company Secretary is responsible for ensuring Century Australia Investments Limited complies with its continuous disclosure obligations.

All relevant staff of Perennial Value Management and White Outsourcing Pty Ltd are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately after they become aware of it. The Company Secretary in consultation with the Chairman will decide whether the information should be disclosed to the ASX.

Where possible, all continuous disclosure releases to the ASX are approved by the Board. The monthly net asset backing per share is prepared and approved by White Outsourcing. Where time does not permit approval by the Board, the Chairman of directors must approve the release.

All significant lodgments with the ASX are available on the Company's website at www.centuryaustralia.com.au via a direct link to the ASX website <http://www.asx.com.au/asx/research/companyInfo.do?by=asxCode&asxCode=CYA>.

No director or representative of Century is permitted to comment publicly on matters relating to Century, unless they have approval from the Chairman. All information about Century, its business and its prospects which is confidential information must be treated as such.

NO COMMENTS POLICY

The Company has adopted a “no comments” policy in relation to any market speculation or rumours and this policy must be observed by all Directors at all times. In light of this, the Company may issue an announcement in response to a market speculation or rumour where it is necessary to do so to eliminate the possibility of a false market or contravention of the Listing Rules.

Where a Director is approached by the media or any analysts or other external parties with respect to providing any information about the Company the general policy to be observed is a “no comments” policy and will notify the Company Secretary as soon as possible.

RESPONDING TO ANALYST REPORTS AND FORECASTS

If a draft report has been sent to the Company for comments the report should be forwarded directly to the Company Secretary. The Company will not endorse any reports, and will restrict any comments to factual matters and matters which have been previously disclosed to the ASX.

TRADING HALTS

The Company in certain circumstances may need to request a trading halt from the ASX. The Chairman in consultation with the Board will make decisions in relation to trading halts and the only personnel authorised to request a trading halt on behalf of the Company will be the Chairman and the Company Secretary.

ADVISORS

To ensure compliance with its listing obligations, the Company may from time to time require advisors to advise on its adherence to this policy. The Company may ask such advisors to sign a confidentiality agreement before disclosing any information to them.

CONTRAVENTION OF POLICY

Non-compliance with the continuous disclosure obligations may constitute a breach of the Corporations Act 2001 and the ASX Listing Rules. This may result in fines for the Company, personal liabilities for Directors and other officers and damage to the Company’s reputation. The Company takes continuous disclosure very seriously and will not tolerate any deviation from this policy by any Director or advisor and will take disciplinary action where a contravention arises. Disciplinary action may include dismissal.

COMMUNICATION POLICY

OBJECTIVE

The communications policy is designed to promote effective communication with shareholders and encourage effective participation at general meetings.

The Company seeks to keep its shareholders fully informed on all matters that affect their investment.

STRATEGY

Century Australia Investments Limited's internet website can be accessed at www.centuryaustralia.com.au. The objective of the website is to provide shareholders and potential investors with information that will assist them to assess the Company's performance.

All announcements to the ASX are available from the website via a direct link to the ASX website. These include:

- Monthly Net Asset Backing per share (including detailed commentary from the Investment Manager on the portfolio and markets);
- Half Year Report;
- Annual Report;
- Notice of Annual General Meeting and Explanatory Memorandum; and
- The Chairman's Address to the Annual General Meeting.

In addition:

- A hard copy Annual Report will be mailed to shareholders who have requested to receive one at the close of the financial year. An electronic version of the Annual Report will be available on the Company's website http://centuryaustralia.com.au/century_australia_annual_reports.htm.
- Net asset backing per share is released to the ASX by the 14th day following each month-end and sent via email to shareholders who register their interest.

Should Shareholders be unable to obtain this information by electronic means a hard-copy of the documents requested can be obtained by contacting White Outsourcing on +61 2 8262 2800 or by email to century@whiteoutsourcing.com.au.

Shareholder contact will be managed primarily by the Company Secretary of Century, with support as necessary of the Board. Sensitive information should not be released to shareholders without approval from the Board.

Century does not provide unsolicited written advice. Where Century provides formal advice to shareholders, the advice must only be of general nature and must be first be approved by the Board.

Shareholder queries and complaints (and other complaints) will be monitored and dealt with by the Chairman. Following notification of a query or complaint, the Chairman will consider the response to the query or complaint. He will notify the Board of any major complaint, action and resolution. If a query or complaint is not resolved and escalates into a dispute, the Chairman will have control of the process and seek advice of outside counsel where necessary.

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the Constitution and are able to receive the annual and interim financial statements if requested. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Century Australia Investments Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Shareholders general queries outside of the Annual General Meeting are welcomed by contacting White Outsourcing Pty Limited on (02) 82622800 or by email century@whiteoutsourcing.com.au. Any shareholding related enquiries contact the Share Registrar, Link Market Services Limited on 1300 554 474 or by email registrars@linkmarketservices.com.au.

RISK MANAGEMENT POLICY

MISSION STATEMENT

Risk includes anything that hinders the sustainable achievement of objectives and results.

OBJECTIVE

To identify Century Australia Investments Limited's material risks and analyse the risk management, internal compliance and control systems in place, and of the effectiveness of their implementation.

FUNCTIONS

The Board is responsible for ensuring the existence of an efficient and effective system of internal control. It is also responsible for ensuring that risks, and opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has delegated the role of reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee. The Company does not have a designated internal audit function. The Audit Committee is responsible for evaluating and continually improving the effectiveness of its risk management and internal control processes. The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

The Audit Committee:

- (a) requires White Outsourcing to report on the operation of internal controls, and for the Investment Manager to report on compliance with the Board approved investment process on a half yearly basis
- (b) reviews the external audit of internal controls and liaises with the external auditor;
- (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system, and
- (d) makes recommendations on the entity's insurance program, having regard to the Company's business and the insurable risks associated with its business.

In respect of the current financial year all necessary declarations have been submitted to the Board.

MATERIAL BUSINESS RISKS

The following economic sustainability¹ risks have been identified by the Board as having the potential to significantly or materially impact the Company's performance:

- a. Administrative risks including operational, compliance and financial reporting; and
- b. Market related risks

Administrative risks

The Board is primarily responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting. The Company has outsourced its administrative functions to service providers, BNP Paribas (custody), White Outsourcing Pty Limited (accounting and Company Secretarial) and Perennial Value Management Limited (investment management) accordingly risk issues associated with these activities are handled in accordance with the service providers policies and procedures. The Board review, on an annual basis, the procedures and policies of outsourced service providers via direct discussion with the Board and/or review of

¹ The term "economic sustainability risks" is defined as the ability of a listed entity to continue operating at a particular level of economic production over the long term (ASX Corporate Governance Principles and Recommendations 3rd Edition, ASX Corporate Governance Council).

audit reports on their policies and procedures as well as obtaining certificates of currency of insurance cover which each service provider has in place.

Any deficiencies identified in internal control policies or the financial affairs of the Company by the external auditor are tabled for discussion at Audit Committee meetings.

In accordance with section 295A of the Corporation Act 2001, the Administration Manager White Outsourcing Pty Limited will confirm half-yearly in writing to the Board that in all material respects:

- The financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- The financial statements and notes comply with the Accounting Standards; and
- The financial statements and notes give a true and fair view.

In addition, White Outsourcing will confirm half-yearly in writing to the Board that the declaration provided above:

- is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks; and
- all material business risks have been effectively managed.

Market related risks

The Company seeks to reduce investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. Perennial Value Management Limited (investment manager), is required to act in accordance with the Board approved investment management agreement and reports to the Board monthly on the portfolio's performance and material actions of the investment manager during that month. In addition, the Investment Manager reports monthly that Perennial Value Management Limited have invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect of the current financial year all necessary declarations have been submitted to the Board. In assessing the Company's risk tolerance level the Board considers any instance which materially affects the Company's monthly Net Tangible Asset backing announcement released to the ASX

The Investment Manager monitors its compliance with respect to all relevant regulatory requirements. These compliance procedures are documented and are subject to regular monitoring and an independent auditor's opinion at financial year end. The Independent auditor's opinion at financial year end is provided to Century when completed. Changes to the Investment Manager's compliance procedures are notified to Century's Board and remedial action is taken to effect changes, if necessary in procedures and practices of Century.

The Audit Committee and the Board perform a risk review on an annual basis to ensure that adequate controls are in place to mitigate risk associated with investment manager performance, market risk, fraud, transaction reporting errors, material reporting risks and compliance risk. In relation to the current reporting period ended all reviews have taken place. These reviews are scheduled to be undertaken during August each year.

As a Listed Investment Company ("LIC"), the Company has no direct material exposure to environmental or social sustainability risks. There is potential for indirect material exposure to environmental, social and economic sustainability risks through the entities in which the Company invests. Overall risk within the investment portfolio is part of the Company's investment process and is reviewed regularly by the Investment Manager. The Company does not consider it has any material exposure to environmental or social sustainability risks under Recommendation 7.4.

PERFORMANCE EVALUATION POLICY

OBJECTIVE

To formally assess the performance of the Board, its committees and service providers, whereby feedback is given to assist in the enhancement of their performance.

FUNCTIONS

Individual directors are subject to continuous review by the Chairman. A performance evaluation of the Board and all Board members is conducted annually. The Chairman reports on the general outcome of the meetings to the Board annually. Directors whose performance is unsatisfactory are asked to retire. In respect of the current financial year all assessments under this process have taken place in accordance with the process disclosed. The Chair of the Audit Committee is responsible for review of the Chairman on an annual basis and reporting to the full Board

The performance of service providers (White Outsourcing Pty Ltd and Perennial Value Management Limited) is the subject of oversight by the Chairman and the Board as a whole.

REMUNERATION COMMITTEE

ASX Recommendation 8.1 – The board should establish a remuneration committee.

Based on ASX recommendations, the remuneration committee should consist of a minimum of 3 members, the majority being independent directors, and chaired by an independent director (all non executive directors are members).

It is not the intention of the Board to establish a Remuneration Committee at this stage. In the event that the Board deems it necessary, one will be established. . The Board reviews the Remuneration Report to be included in the Annual Report to shareholders each year.

Non-executive directors are remunerated by way of cash and superannuation contributions within the aggregate amount of \$120,000 (inclusive of superannuation). All Non-Executive Directors payments are inclusive of committee fees.

Under the Constitution, the Directors may be paid remuneration as determined by the Company in general meeting, or until such determination is made, as the Directors resolve.

Under the ASX Listing Rules, the maximum fees paid to non-executive Directors may not be increased without approval from the Company at a general meeting. Directors will seek approval from time to time as appropriate.

BOARD & COMMITTEE MEMBERS

BOARD OF DIRECTORS

Robert Turner (Chairman)
Stephen Menzies
Ross Finley
Geoffrey Wilson

AUDIT COMMITTEE

Stephen Menzies (Chairman)
Robert Turner
Ross Finley
Geoffrey Wilson