



BOARD DIVERSITY POLICY

The Company's Corporate Objective is to provide shareholders with attractive investment returns through access to a growing stream of fully franked dividends and growth in capital invested. In this regard, the Company's primary goals are:

- to pay dividends which, over time, grow faster than the rate of inflation; and
- to provide attractive total returns over the medium to long term.

In meeting the Company's Corporate Objective, the Board is committed to having in place a robust system of governance that is appropriate for a company of its size and business focus.

The Board's approach

The Board views diversity as including, but not being limited to, skills, qualifications, experience, gender, race, age, disability, ethnicity and cultural background.

The Board recognises that having a diverse Board will assist it in effectively carrying out its role as set out in the Board's charter.

The Board has determined that to fulfil the Company's Corporate Objective, its own membership is best served by being comprised of a mix of individuals with different perspectives that have deep expertise and a breadth of experience in the following areas:

- leading, managing and overseeing successful corporations in a range of industry sectors, at both executive and Board level
- advising corporations (including legal and accounting advice)
- the investment industry
- organisations with diverse governance and regulatory regimes (including charities, not for profit organisations, government bodies, private companies and international organisations).

When the Board is looking for an additional member, the overarching priority will be to appoint an individual on merit who the Board believes will provide the Company with the best opportunity to meet its Corporate Objective.

The Company has a number of additional defining characteristics that have an important influence on how the Board deals with Board and organisational diversity:

- As the Company is a long-term shareholder, it is beneficial to have directors who serve for a long period of time, experiencing different economic and business cycles.
- The Company has no employees as all management, financial, business development/marketing and securities/stock market services are provided by Australian Investment Company Services Limited (AICS).
- Senior Executives of the Company are the Senior Executives of AICS.

As such, this policy is limited to Board diversity.

Objectives and Reporting

As part of its oversight of Board composition and succession planning, the Company's Nomination Committee will have responsibility for, and oversight of, this policy.

On recommendation from the Nomination Committee, the Board will set objectives in respect of diversity, including gender diversity, in its own composition, which will be appropriate for the Company's circumstances. The Board has set the objective to embed gender diversity as an active consideration in succession planning for Board positions. Those objectives and progress against them will be assessed annually by the Nomination Committee and progress against those objectives will be discussed by the Board and reported to shareholders in the Annual Report.

Date: 23 July 2018