

# Corporate Governance Statement

## Corporate Governance Approach

The Board is responsible for the governance of the Company and has adopted the following framework to ensure that the Company is managed efficiently, effectively and ethically and operates in the best interests of shareholders.

The Board has followed the principles and best practice recommendations established by the ASX Corporate Governance Council having regard to the nature of the Company's activities and its size. The Company has adopted the ASX Corporate Governance Principles and Recommendations with 2019 Amendments (4th Edition) for the 2024 financial year, subject to the exceptions noted below.

This statement was approved by the Board on 24 September 2024. Copies of the Company's Corporate Governance Charter can be accessed through the company's website, [www.cadencecapital.com.au](http://www.cadencecapital.com.au).

## Lay solid foundations for management and oversight (Recommendations: 1.1 to 1.7)

The Company has a Board of Directors and no full-time employees. The day-to-day management of the Company and investment of funds is carried out by Cadence Asset Management Pty Limited (the Investment Manager or the Manager) pursuant to a management agreement, subject at all times to any written guidelines issued by the Board of Directors of Cadence Opportunities Fund Limited. Consequently, there is no need to delegate functions to senior management or for a process to evaluate the performance of senior executives under Recommendations 1.1, 1.3 and 1.7.

## Board's Role and Responsibilities

The role of the Board is to set the strategic direction of the Company, approve capital management initiatives and to be responsible for the overall corporate governance of the Company. This includes:

- overseeing and monitoring the performance of the Manager's compliance with the management agreement and to ensure that the Manager is monitoring the performance of other external service providers;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving the interim and final financial statements and related reports, and various other communications to the ASX and shareholders that the Board deems material; and
- setting appropriate business standards and codes for ethical behaviour.

The Board aims to ensure that all Directors and the Manager act with the utmost integrity, objectivity and endeavour to enhance the reputation of the Company. The Board aims to act in a manner designed to create and build sustainable value for all shareholders.

The Board will elect one of its number as the Chairman of the Board. The Chairman's role is disclosed in the Board Policy.

The Company Secretary is appointed by and accountable directly to the Board and is responsible for:

- The effective functioning of the Board and Committees in accordance with the Company's policies and procedures;
- The timely distribution of materials to the Board and Committees and accurate minuting of meetings; and
- Maintaining an efficient process of communication directly with Board and Committee members.

### Board Meetings

The Board holds four standard quarterly meetings each year and holds additional specific purpose meetings as and when necessitated by the Company's operations. Board meetings are designed to cover a broad range of matters including corporate strategy, operating processes, outcomes, reporting and risk management. The number of Board meetings held and attendance at those meetings is shown in the Company's Annual Report.

### Board Committees

To assist in carrying out its responsibilities the Board has established an Audit & Risk Committee and a Nomination and Remuneration Committee. The number of Committee meetings held and attendance at those meetings is shown in the Company's Annual Report. The current committees are comprised of the following directors:

#### Audit & Risk Committee

Susan Oakes (Chairperson)  
Jolanta Masojada  
Wayne Davies

#### Nomination and Remuneration Committee

Jolanta Masojada (Chairperson)  
Susan Oakes  
Wayne Davies

The role and responsibilities of the Nomination and Remuneration Committee are shown under Principle 2 and Principle 8 below and the Audit & Risk Committee are shown under Principle 4 below.

### Executive Operations

The executive operations of the Company are performed by the Investment Manager (Cadence Asset Management Pty Ltd), the Prime Broker/ Custodian (BNP Paribas) and the Share Registry (Boardroom Ltd). Karl Siegling who is one of the Executive Directors of the Company is also the director of the Investment Manager.

### Board Policies

The board has also established a range of policies which govern its operation and the actions of executives. These policies are:

- Code of conduct
- Diversity policy
- Continuous disclosure policy
- Share trading policy and insider trading policy
- Audit and Risk Committee Charter

### Performance Assessments

To determine whether it is functioning effectively, the Board shall:

- review its Corporate Governance Charter annually; and
- perform an evaluation of the Board's performance at intervals considered appropriate.

The Board is responsible for undertaking a performance evaluation of itself and its members. A copy of the Board Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.

### **Structure the Board to add value (Recommendations: 2.1 to 2.6)**

#### Structure of the Board

The Board structure involves:

- The number of Board members being a minimum of three and not more than ten;
- At least 50% of the Board to consist of independent non-executive directors. Whilst the Company agrees with the benefits of a majority of independent Directors, under Recommendation 2.4, it believes that it can better achieve the results of the Company with the current Board's level of expertise and without burdening shareholders with the additional costs associated with adding further independent Directors;
- The Board to contain a suitable balance of both non-executive and executive directors to ensure that decision making appropriately embraces both external and internal knowledge and experience;
- The Chairman is not an independent Director. The Company believes that an independent Chairman, under Recommendation 2.5, does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business, as is the case with this Company, it adds value to the Company and all shareholders benefit. The Company does not employ a Chief Executive Officer, consequently Recommendation 2.5 is not applicable.

#### Current Board

The Company supports the appointment of directors who bring a wide range of business, investment and professional skills and experience.

Name	Role	Independent	Year appointed	Shareholder
Karl Siegling (Non-Independent)	Chairman	No	2018	Yes
Susan Oakes (Independent)	Director	Yes	2018	Yes
Jolanta Masojada (Independent)	Director	Yes	2021	Yes
Wayne Davies (Non-Independent)	Director	No	2018	Yes

The mix of skills and diversity represented on the Board as at 30 June 2024 is as follows:

Name	LIC or Financial Service Industry	Investment Management	Marketing/ Investor relations	Legal/ Corporate Governance	Accounting/ Audit/ Tax
Karl Siegling (Non-Independent)	Yes	Yes	Yes	Yes	Yes
Susan Oakes (Independent)	Yes	Yes	-	Yes	Yes
Jolanta Masojada (Independent)	Yes	Yes	Yes	Yes	-
Wayne Davies (Non-Independent)	Yes	Yes	Yes	Yes	Yes

The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings are set out in the Directors' Report in the Company's 2024 Annual Report.

These Directors are considered independent as per the criteria outlined in the Company's Board Policy which includes the Company's criteria for independence of Directors. The criteria are in accordance with ASX Corporate Governance Council's Principles.

#### Appointment and Renewal

The Company's Constitution requires directors to retire and seek re-election at least every three years. Any new Director appointed must seek election at the next Annual General Meeting following their appointment.

The Company holds a written agreement with each Director setting out the terms of their appointment. A newly appointed Director to the Board is issued with a copy of all Company Policies and Charters. On appointment, new Directors participate in an induction process to familiarise themselves with the business of the Company and the Investment Manager. Within the Board review process, the Nomination Committee considers and encourages Board members to undertake appropriate levels of professional development to enhance their skills and knowledge.

#### Nomination and Remuneration Committee

The Committee has a majority of independent directors and is chaired by an independent director. The Committee meets a minimum of once per year and will meet on additional occasions as considered appropriate during the processes of Board renewal.

The Committee is responsible for the determination of the appropriate size and composition of the Board, criteria for Board membership, the assessment of Board independence, identification and review of potential candidates, including the conduct of appropriate checks into a prospective director's background including their character, education, criminal or bankruptcy records, terms and conditions of appointment to and retirement from the Board, and the assessment of Board performance. Background checks are undertaken on Directors and the Company Secretary. The Committee utilises a skills matrix when assessing Board composition. The Committee's target is to ensure that director's skills collectively include financial services, investment management, marketing/ investor relations, corporate governance, accounting, taxation, general business experience and shareholder representation.

#### Diversity Policy

The Company has a Diversity Policy which recognises the importance and benefits of being able to attract, retain and motivate Board members from the widest possible pool of available talent. The Company seeks to have no barriers to the selection or retention of Board members relating to disability, ethnicity, marital or family status, religious or cultural background, sexual orientation or gender, and will purely seek to select Board members on the basis of their merit on relevant metrics.

The Company's Diversity Policy requires the Board to develop measurable objectives and the strategy to meet these objectives, including fostering gender diversity and ensuring female representation on the Board. The Board's composition is reviewed on an annual basis. In the event a vacancy arises, the Board will include diversity in its nomination process. Currently, the Company has two female Directors, representing 50% of the Board. The Company is not a relevant employer under the Workplace Gender Equality Act. A copy of the Diversity Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website

As noted above, the Board will however actively encourage and promote diversity where this can be done fairly and in a manner which enhances the capabilities of the Company.

### **Act ethically and responsibly (Recommendations: 3.1)**

#### Cadence's Statement of Values

Cadence seeks to act with the utmost integrity, and to be professional, fair, equitable, honest and transparent in its operation as a listed investment entity.

#### Ethical Standards

The Board expects Directors and company executives to understand, embrace and act in accordance with these values at all times, and to encourage these values to be upheld by all parties working for or providing services to the Company. In upholding these values, Directors and executives must comply with the company's Code of Conduct and Ethics at all times.

Under the Code of Conduct directors, executives and officers must:

- Act with high standards of honesty, integrity, fairness, ethically and in the best interests of the Company, avoiding actual or potential conflicts of interest;
- Act lawfully and comply with the Company's Constitution, ASX 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;
- Use care and diligence in fulfilling their duties; and
- Ensure that internal and external reporting is balanced, fair, accurate and timely.

The Code of Conduct also includes the Company's Anti-Bribery and Corruption Policy. This policy prohibits the payment of bribes or equivalents and prohibits personnel from receiving personal benefits from third parties as a consequence of their role with the Company, other than inconsequential and immaterial benefits that are incidental to the proper pursuit of company business.

The Code also provides a formal Whistleblower Protection framework to facilitate the reporting and independent investigation of concerns about unlawful actions or breaches of Company policy, in a manner that protects individuals who report such behaviour in good faith.

#### Share Trading Policy

The Company has a formal Securities Trading Policy. Generally, Directors and senior management can acquire shares in the Company but are prohibited from dealing in Company shares whilst in possession of price-sensitive information and during any trading blackout periods.

### **Safeguarding integrity in corporate reporting (Recommendations: 4.1 to 4.3)**

#### Audit and Risk Committee

The Company has an Audit and Risk Committee consisting of three Directors and has a Chairperson who is not the Chairperson of the Board. The Committee consists of:

- Susan Oakes (Chairperson), Independent Director
- Jolanta Masojada, Independent Director
- Wayne Davies, Non-Independent Director

The qualifications, skills, experience and expertise of those appointed to the Committee are detailed in the Directors' Report in the Company's 2024 Annual Report.

The Committee meets a minimum of two times per year. The Committee formally reports to the Board after each meeting. Details of the number of meetings of the Audit and Risk Committee during the 2024 year are set out in the Directors' Report in the Company's 2024 Annual Report.

The Audit and Risk Committee Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

#### External Audit

External audit is considered an important element in the Company's risk management framework. The Company's external audit is undertaken by HLB Mann Judd Assurance (NSW) and the audit engagement partner is required to be rotated in accordance with the Corporations Act and ASX listing rules. Kinh Luong, a partner of HLB Mann Judd Assurance (NSW), is the partner responsible for the external audit of the Company for the 2024 financial year. The Audit and Risk Committee reviews and assesses the scope, processes and independence of the external auditor.

The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions.

#### Written Confirmations

The Chief Executive Officer and Chief Financial Officer of the Investment Manager provide written confirmations to the Board that the Company's Annual Report presents a true and fair view, in all material respects, of the Company's financial position and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

#### External Reporting Verification

The company subjects all publicly released reports to a series of checks which are aligned to the risk and materiality of the documents as shown below:

- Six Monthly Financial Statements and Media Releases are subject to internal executive cross checking, Board/Committee review and external Audit/Review;
- Monthly newsletters, Quarterly Webcasts, NTA Releases and all other publicly released reports are subject to internal executive crosschecking by the Investment Manager and are made available to the Board for post-issuance scrutiny.

#### **Make timely and balanced disclosure (Recommendations: 5.1)**

The Company aims to keep the market appropriately informed on a timely basis in accordance with its obligations under the Corporations Act and ASX Listing Rules. The Company has a formal Continuous Disclosure Policy setting out the procedures and responsibilities of Board and management to ensure that it can satisfactorily meet these obligations. The Board receives a copy of all material market announcements promptly after they are made, if they have not otherwise received them before.

A copy of the Continuous Disclosure Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.

#### **Respect the rights of security holders (Recommendations: 6.1 to 6.4)**

The Company seeks to respect the rights of shareholders by providing them with appropriate information on a regular basis and by providing them with facilities to exercise their rights as shareholders.

The Company has a website [www.cadencecapital.com.au](http://www.cadencecapital.com.au) which contains information on the Company, its objectives, corporate governance policies, monthly investor updates, quarterly webcasts, annual and half yearly reports, investor presentations and other pertinent financial information. All announcements lodged with the ASX are available via a direct link from the Company's website.

The Company is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way;
- complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act 2001 in Australia; and
- encouraging shareholder participation at annual general meetings.

The Chief Financial Officer/ Company Secretary and Investor Relations Officer are available to take shareholder queries by contacting the Company directly during office hours on (02) 8298 2450, by post or by email to [info@cadencecapital.com.com.au](mailto:info@cadencecapital.com.com.au)

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy. This provides a forum where shareholders are given the opportunity to raise questions and participate in general discussion about the Company.

The Company's registry, Boardroom Pty Limited, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au).

The Continuous Disclosure Policy is contained in the Company's Corporate Governance Charter.

#### **Recognise and manage risk (Recommendations: 7.1 to 7.4)**

The Board has an Audit and Risk Committee Charter which sets out the Company's framework for the identification, control and review of risk. The Board delegates responsibility for reviewing the Risk Management framework and its effectiveness to the Audit and Risk Committee.

The Company has an Audit and Risk Committee consisting of three Directors and has a Chairperson who is not the Chairperson of the Board. The Committee consists of:

- Susan Oakes (Chairperson), Independent Director
- Jolanta Masojada, Independent Director
- Wayne Davies, Non-Independent Director

The qualifications, skills, experience and expertise of those appointed to the Committee are detailed in the Directors' Report in the Company's 2024 Annual Report.

The Manager, Cadence Asset Management Pty Ltd, as well as by the Company's auditors report any instances of control failure or breach to enable the Committee to consider whether relevant controls require reassessment, strengthening or improvement and whether the level of monitoring by the Committee is adequate.

The Committee reviews the adequacy and effectiveness of the Company's risk management framework by gaining assurance that major risks have been identified and are appropriately managed. The Committee reviews the Audit and Risk Committee Charter to ensure it is operating effectively.

The Company does not have an internal audit function. A summary of financial risks including market, credit, and liquidity risk are included in the Company's 2024 Annual Report.

**Remunerate fairly and responsibly (Recommendations: 8.1 to 8.3)**

The Company seeks to remunerate directors and executives in a manner that allows the Company to attract and retain high quality personnel and to align the interests of those persons with the objectives and values of the Company and the creation of value for shareholders.

Nomination and Remuneration Committee

The Committee has a majority of independent directors and is chaired by an independent director. The committee oversees the remuneration of non-executive directors. The Committee annually reviews and makes recommendations to the Board on the remuneration of the non-executive directors. The Committee also holds responsibility for considering and determining the contractual arrangements with these parties.

The maximum total remuneration of the Directors of the Company has been set at \$100,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Further detail is provided in the Directors' Report in the Company's 2024 Annual Report.

All Directors of Cadence Opportunities Fund Limited are non-executive directors. Accordingly, the requirement under Recommendation 8.2 to distinguish the structure of the remuneration paid to executive and non-executive directors is not applicable. No equity based remuneration or bonuses are paid to Directors as part of their remuneration.

The Chairman of Cadence Opportunities Fund Limited is the sole director of Cadence Asset Management Pty Limited. Further details are provided in the Directors' Report in the Company's 2024 Annual Report.