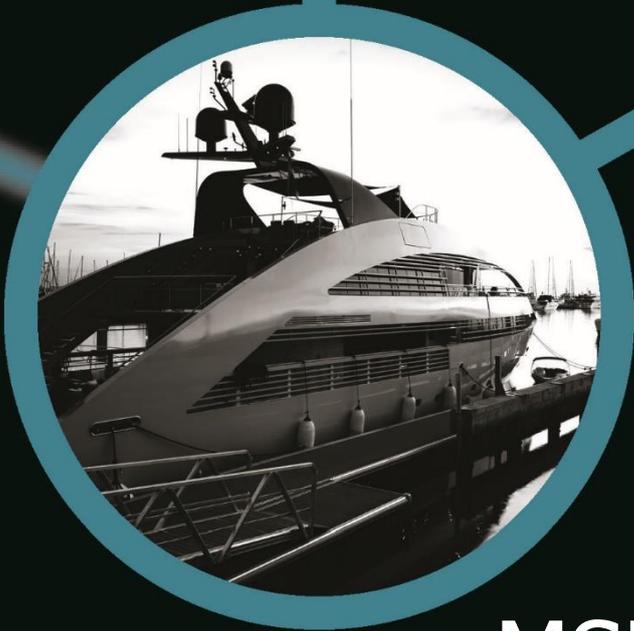


**M-POWER MSL**



# MSL Solutions Limited

CORPORATE GOVERNANCE STATEMENT 2020

# Corporate Governance Statement – FY2020

This Statement has been approved by a resolution of the Board of MSL Solutions Limited (“**MSL**” or “**Company**”) and is current as at 15 September 2020.

## **MSL’s approach to Corporate Governance**

This Statement explains how MSL addresses the ASX Corporate Governance Council’s. ‘Corporate Governance Principles and Recommendations – 4<sup>th</sup> Edition’ (“**ASX Principles**”).

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

**Recommendation 1.1 – A listed entity should have and disclose a Board charter setting out:**

***(a) the respective roles and responsibilities of its Board and Management; and***

***(b) those matters expressly reserved to the Board and those delegated to Management.***

#### *Role of the Board*

The Board is responsible for the overall corporate governance of the Company and has adopted as a guiding principle that it act honestly, diligently and fairly in accordance with the law and in the interests of the Shareholders with a view to building sustainable value for them, the Company’s employees, and other stakeholders in the Company.

The Board has adopted a Board Charter, which sets out the Board’s role and responsibilities, the powers that it has reserved for its own consideration and the authority it has delegated to the Executive. The Board’s reserved powers and responsibilities as set out in the Board Charter include:

- setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- ensuring there are adequate resources available to meet the Company’s objectives;
- appointing the Chief Executive Officer (who may also be appointed as a Managing Director) (“**Chief Executive**”), evaluating the performance and determining the remuneration of senior executives, including any executive incentive plan, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- determining the size, composition and structure of the Board and evaluating the performance of the Board and its Directors on an annual basis;
- determining remuneration levels of Directors;
- approving and monitoring financial reporting and capital management;
- approving and monitoring annual budgets;
- approving and monitoring the progress of business objectives;
- ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licence(s);
- ensuring that adequate risk management procedures exist and are being used;
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;

- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- approving the dividend policy of the Company and authorising payment of dividends; and
- appointing or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit & Risk Committee.

*Delegation to the Executive Chairman, Chief Executive Officer and the Executive Team*

The Board has delegated to the Executive Chairman and the Chief Executive Officer responsibility for the day-to-day management of the MSL's group of companies, and implementation of policies and strategy set by the Board.

**Recommendation 1.2 – A listed entity should:**

***(a) undertake appropriate checks before appointing a Director or Senior Executive or putting someone forward for election as a Director; and***

***(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.***

The Board has established a Nomination and Remuneration Committee whose responsibilities include assisting the Board with the selection and appointment of appropriate directors of the Company.

Appropriate checks are undertaken by the Company before appointing a person as a director and recommending that person for election (including character, experience, education, criminal record and bankruptcy history checks).

All material information that is relevant to the decision of whether or not to elect or re-elect a Director is provided to shareholders in the notice of meeting for the relevant AGM.

**Recommendation 1.3 – A listed entity should have a written agreement with each Director and Senior Executive setting out the terms of their appointment**

All Directors enter into a written agreement with the Company which sets out their duties, responsibilities, rights, and remuneration entitlements, and all Directors provide a consent to act as a director prior to their appointment.

Each member of the MSL Executive team is employed under an executive services agreement which sets out the terms on which the Executive is employed, including details of the Executive's duties, responsibilities, rights, and remuneration entitlements.

**Recommendation 1.4 – The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board**

For any matter relevant to the Company's secretarial duties or conduct of the Board, the Company Secretary is accountable to the Chairperson of the Board.

**Recommendation 1.5 – A listed entity should:**

**(a) have and disclose a diversity policy;**

**(b) through its Board or a Committee of the board set measurable objectives for achieving gender diversity in the composition of its Board, Senior Executives and workforce generally; and**

**(c) disclose in relation to each reporting period:**

**(1) the measurable objectives set for that period to achieve gender diversity;**

**(2) the entity's progress towards achieving those objectives; and**

**(3) either:**

**(A) the respective proportions of men and women on the board, in Senior Executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or**

**(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

The Board has established a policy dealing with diversity within its workforce. The diversity policy is available on the MSL website (<https://mpowermsl.com/corporate-governance/>).

The Board through its committees monitors and reviews the Company's policies, including the diversity policy and other associated policies, to determine the effectiveness of the policies in the circumstances relevant to the industries in which the Company operates.

As at 30 June 2020, MSL had the following proportion of men and women within the organisation:

	<b>Total FTE</b>	<b>Proportion Men (%)</b>	<b>Proportion Women (%)</b>
Board	5	100%	0%
Senior Executive *	2	100%	0%
MSL organisation	107.5	83.5%	16.5%

\* Senior Executive comprises of Patrick Howard (CEO) and David Marshall (CFO/COO), who are regarded as Key Management Personnel.

**Recommendation 1.6 – A listed entity should:**

**(a) have and disclose a process for periodically evaluating the performance of the Board, its Committees and individual Directors; and**

**(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.**

A strategic review of the Company was conducted in July/August 2019, which resulted in changes to the Board and Management which has been disclosed to the Company's shareholders.

Prior to the end of the 2020 calendar year, the Board intends to conduct an internal review of its performance, including that of the Committees and individual Directors, and will be facilitated by the Executive Chairman.

**Recommendation 1.7 – A listed entity should:**

***(a) have and disclose a process for evaluating the performance of its Senior Executives at least once every reporting period; and***

***(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.***

The performance evaluation of the Chief Executive and senior executives is conducted on an annual basis through a review process with the Board as well as through external advisors (as required) and industry benchmarking. In addition, the performance of the Chief Executive and senior executives is monitored consistently by the Board in assessing the performance of the Company at each meeting to identify areas of improvement to assist the Company.

**Principle 2: Structure the Board to be effective and add value**

**Recommendation 2.1 – The Board of a listed entity should:**

***(a) have a Nomination Committee which:***

***(1) has at least three members, a majority of whom are Independent Directors; and***

***(2) is chaired by an Independent Director,***

***and disclose:***

***(3) the charter of the Committee;***

***(4) the members of the Committee; and***

***(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

***(b) if it does not have a Nomination Committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.***

The Board has established a Nomination and Remuneration Committee. The Committee has a formal charter (as part of the Board Charter) that is available on the MSL website (<https://mpowermsl.com/corporate-governance/>).

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board in relation to:

- the Group's remuneration policies and practices, including those of the Chief Executive and executive management;
- Board appointments and re-elections;
- Board and senior executive succession plans; and

- Board composition, competencies and diversity.

The Nomination and Remuneration Committee is also responsible for overseeing Director training and education programs, and the performance evaluation process for the Board, Board Committees and individual Directors.

The Chair of the Committee is Mr David Trude, who is an Independent Director. The members of the Committee, the number of times the Committee met and individual attendance at those meetings during FY2020 are set out in the 2020 Annual Report.

For the year ended 30 June 2020, the Nomination and Remuneration Committee was comprised of three Non-Executive Directors, two of whom are considered independent.

**Recommendation 2.2 – A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership**

The Board has in place a skills matrix and regularly assesses the balance of skills, knowledge, diversity and experience of its current Directors, which will support the effective functioning of the Board with regard to the strategic direction of the Company.

The skills and experience held within the Board for FY2020 were as follows:

<b>Sector Experience</b>	<b>Number of Directors (out of 5)</b>
Venues – Pubs & Clubs	4
Venues – Sports & Stadiums	3
Sports associations	3
Technology	4
<b>Geographic Experience</b>	<b>Number of Directors (out of 5)</b>
Australia	5
International	4
<b>Functional Experience</b>	<b>Number of Directors (out of 5)</b>
Listed Company Experience	5
Finance & Legal	3
Risk Management & Corporate Governance	5
Mergers & Acquisitions	5

**Recommendation 2.3 – A listed entity should disclose:**

**(a) the names of the Directors considered by the board to be Independent Directors;**

**(b) if a Director has an interest, position or relationship of the type described in the ASX Principles but the Board is of the opinion that it does not compromise the independence**

***of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and***

***(c) the length of service of each Director.***

MSL considers a Director to be independent if the Director is independent of management and free of a business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgement in relation to matters concerning the Company.

In determining whether a Director is independent, the Board has regard to:

- whether the Director is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- whether the Director is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its subsidiary entities;
- whether the Director is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- whether the Director is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- whether the Director has a material contractual relationship with the entity or its child entities other than as a director;
- whether the Director has close family ties with any person who falls within any of the categories described above;
- whether the Director has been a director of the entity for such a period that his or her independence may have been compromised;
- any materiality guidelines applied in accordance with Australian Accounting Standards; and
- any professional advice sought by the Board at its discretion.

The details of the MSL independent directors for FY2020 were:

<b>Name of independent director</b>	<b>Length of service as at 30 June 2020</b>	<b>Factors affecting independence</b>
Mr John Down (resigned 30 August 2019)	10 years	None
Mr Ian Daly (resigned 30 August 2019)	9 years	None
Mr David Trude (appointed 9 March 2017)	3.25 years	None
Mr Earl Eddings (appointed 30 April 2019)	1.2 years	None
Mr David Usasz (appointed 5 Feb 2020)	Less than a year	None

Mr Tony Toohey is not considered independent due to his executive role. Dr Richard Holzgrefe is not considered independent due to his substantial shareholding in the Company.

**Recommendation 2.4 – A majority of the Board of a listed entity should be Independent Directors**

The Board of Directors is currently comprised of an Executive Chairman and four Non-Executive Directors, three of which are independent.

**Recommendation 2.5 – The Chair of the Board of a listed entity should be an Independent Director and, in particular, should not be the same person as the CEO of the entity.**

Mr John Down was Chair of the Board for two months during FY2020, up to his resignation on 30 August 2019. Mr Down was an independent Non-Executive Director and did not hold the role of Chief Executive.

Mr Tony Toohey was appointed Executive Director and Chair on 1 September 2019. Whilst the Company does not follow the Recommendation 2.5 from the ASX, the Board of Directors of MSL believes the appointment of Mr Toohey as Executive Chairman is appropriate given the skills and experience Mr Toohey brings to the Company.

Mr Patrick Howard is the Chief Executive Officer of the Company and is not a Director of MSL Solutions Limited.

**Recommendations 2.6 – A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.**

The program for the induction of new directors is set out in the Company's Board Charter. Newly appointed Directors are inducted so that they gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the culture and values of the Company;
- the rights, duties and responsibilities of the Directors;
- the roles and responsibilities of Senior Executives;
- the role of Board Committees;
- meeting arrangements; and
- Director integration with each other, senior executives and other stakeholders.

Directors are encouraged to attend continuing education to update and enhance their skills and knowledge at the Company's expense with the approval of the Chairperson (which approval is not unreasonably withheld).

### **Principle 3: Instil a culture of acting lawfully, ethically and responsibly**

#### **Recommendation 3.1 - *A listed entity should articulate and disclose its values***

The Company has adopted a code of conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.

#### **Recommendation 3.2 – *A listed entity should:***

***(a) have and disclose a code of conduct for its Directors, Senior Executives and employees; and***

***(b) ensure that the Board or a Committee of the Board is informed of any material breaches of that code.***

The Company has adopted a code of conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance.

The MSL Code of Conduct is available on the MSL website (<https://mpowermsl.com/corporate-governance/>).

#### **Recommendation 3.3 - *A listed entity should:***

***(a) have and disclose a whistleblower policy; and***

***(b) ensure that the Board or a Committee of the Board is informed of any material incidents reported under that policy.***

MSL has a Whistleblower policy that applies to Directors, officers, managers, employees, and consultants of MSL Solutions Limited and its subsidiaries, and it is expected that it will be complied with in all dealings in relation to the affairs of the Company's business and when dealing with each other, shareholders, and the broader community.

#### **Recommendation 3.4 - *A listed entity should:***

***(a) have and disclose an anti-bribery and corruption policy; and***

***(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.***

The anti-bribery and corruption policy for MSL is contained within the Code of Conduct (refer to Recommendation 3.2 above).

## **Principle 4: Safeguard the integrity of corporate reports**

### **Recommendation 4.1 – *The Board of a listed entity should:***

#### ***(a) have an audit committee which:***

***(1) has at least three members, all of whom are Non-executive Directors and a majority of whom are Independent Directors; and***

***(2) is chaired by an Independent Director, who is not the Chair of the Board, and disclose:***

***(3) the charter of the Committee;***

***(4) the relevant qualifications and experience of the members of the Committee; and***

***(5) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

***(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.***

The Board has established an Audit and Risk Committee. The Committee has a formal charter that is available on the MSL website (<https://mpowermsl.com/corporate-governance/>).

The Audit and Risk Committee is responsible for:

- reviewing the integrity and adequacy of the Company's financial reporting process;
- reviewing the adequacy of the Company's risk management framework (including the Risk Management Policy and Risk Management Plan adopted by the Company as set out below);
- overseeing the Company's compliance programs;
- approving the terms of engagement for the external auditor and internal auditor;
- assessing the performance and independence of the external auditor and the internal audit function;
- overseeing the process and procedures for the selection, appointment and removal of the external auditor (including the rotation of the external audit partner) and the internal auditor;
- making recommendations to the Board for the appointment or (if necessary) the removal of the external auditor and the head of the internal audit function; and
- making recommendations to the Board in relation to the Group insurance policies and financing arrangements.

The Chair of the Committee is Mr David Usasz, who is an Independent Director. The members of the Committee, their qualifications and experience, the number of times the Committee met and individual attendance at those meetings are set out in the 2020 Annual Report.

For the year ended 30 June 2020, the Audit and Risk Committee was comprised of three Non-Executive Directors, two of whom are considered independent.

**Recommendation 4.2 – *The Board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.***

Prior to the approval of the financial statements for a financial period, the Board receives from the Chief Executive and the Chief Financial Officer declarations in writing that, in their opinion:

- the financial records of the Company have been properly maintained;
- the financial statements for the financial period give a true and fair view of the MSL group’s financial condition and performance, and comply with the relevant accounting standards; and
- this opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively in all material respects.

**Recommendation 4.3 – *A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.***

Any periodic corporate report that is released to the market that is not audited or reviewed by an external auditor undergoes an extensive review and approval process through the Board or a Committee of the Board prior to its release. Any announcement made to the market must first be approved by the Board and a statement of the approval is made on the announcement.

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

**Recommendation 5.1 – *A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1***

The Board has established a policy for complying with its continuous disclosure obligations under the Listing Rules.

The objectives of the Continuous Disclosure Policy are:

- assist MSL to comply with its continuous disclosure obligations under the Corporations Act and the Listing Rules;
- establish procedures for the preparation, approval and release of announcements by the Company to ASX; and
- promote investor confidence in the integrity of the Company and its securities.

The policy covers various topics, including:

- Legal requirements;
- Best practice guidelines;
- Disclosure principle;
- Immediate disclosure;
- Disclosure of price sensitive information;
- Authorised spokespersons;
- Company announcements;

- Pre-result periods;
- Media and market speculation; and
- Trading halts and voluntary suspension.

The MSL Continuous Disclosure Policy ensures that matters having a material effect on the price of the Company's securities are notified to ASX in a timely manner.

A copy of the policy is available on MSL website (<https://mpowermsl.com/corporate-governance/>).

**Recommendation 5.2 – A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.**

Any announcement that is released to the market undergoes an extensive review and approval process through the Board or a Committee of the Board prior to its release. Any announcement made to the market must first be approved by the Board and a statement of the approval is made on the announcement.

**Recommendation 5.3 – A listed entity that gives a new and substantive investor or analyst a presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.**

Should a representative of MSL provide a presentation to a substantive investor or analyst a copy of the presentation will be released to the market ahead of the presentation.

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

**Recommendation 6.1 – A listed entity should provide information about itself and its governance to investors via its website**

MSL provides a substantial amount of information on its operations on its website, [www.mpowermsl.com](http://www.mpowermsl.com), including:

- the names and a brief summary of the backgrounds and experience of each of its Directors and Management;
- the Board Charter and the charters of each committee of the Board; and
- the Company's corporate governance policies and other relevant materials.

MSL keeps investors informed of all major developments in an ongoing manner as follows:

- all shareholders are provided with a copy of the Company's Annual Report (at their election this is either in hard copy or electronically), and a copy of the Annual Report is available to potential investors on the Company's website;
- the annual and half-yearly financial reports are lodged with ASX, and are available to view both on ASX and the MSL website;
- A link to all ASX announcements made by the Company is available on the website.

**Recommendation 6.2 – A listed entity should have an investor relations program that facilitates effective two-way communication with investors**

MSL has an investor relations program designed to communicate with its shareholders to ensure they are informed of all material information relating to the Company, and to promote shareholder involvement in the Company.

The Company's communications strategy promotes the communication of information to shareholders through the distribution of the annual report, half-year reports, and all announcements through the ASX. Releases provided to ASX are linked to the Company's website immediately after release to the market. The Company also provides other information about itself and its governance on the Company website.

The Company has also engaged an investor relations and communications firm to assist in this regard.

**Recommendation 6.3 – Companies should disclose how it facilitates and encourages participation at meeting of security holders**

The Board encourages the participation of shareholders at the Annual General Meeting to ensure a high level of accountability and discussion in relation to the Company's performance. Shareholders are encouraged to participate in the Annual General Meeting through asking questions and making comments. The Directors and Executives of the Company, including the Chief Executive and Chief Financial Officer, on occasion meet with analysts and investors. Any presentations made are released to the ASX.

The external auditor attends the Annual General Meetings (as well as any relevant extraordinary general meetings) to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

**Recommendation 6.4 – A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.**

At the most recent meeting of security holders (Annual General Meeting held on 27 November 2019) the resolutions were decided by poll. This practice will continue for future meetings of security holders.

**Recommendation 6.5 – A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.**

The Company receives enquiries from shareholders through the Company's website (<https://mpowermsl.com/investors/>) and responds directly to shareholders.

Shareholders also have the option to receive key communications from the Company and its share registry electronically.

## **Principle 7: Recognise and manage risk**

### **Recommendation 7.1 – *The Board of a listed entity should:***

***(a) have a Committee or Committees to oversee risk, each of which:***

***(1) has at least three members, a majority of whom are Independent Directors; and***

***(2) is chaired by an Independent Director,***

***and disclose:***

***(3) the charter of the Committee;***

***(4) the members of the Committee; and***

***(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

***(b) if it does not have a risk committee or committees***

***that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.***

The Board has a combined Audit and Risk Committee. The Committee has a formal charter (as part of the Board Charter) that is available on the MSL website (<https://mpowermsl.com/corporate-governance/>).

Details of the structure, meeting frequency and attendance, and charter of the Audit and Risk Committee is set out in Recommendation 4.1.

### **Recommendation 7.2 – *The Board or a Committee of the Board should:***

***(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and***

***(b) disclose, in relation to each reporting period, whether such a review has taken place.***

Risks identified by the Audit and Risk Committee or Management are raised and discussed regularly at Board meetings with the aim of identification, assessment and appropriate management of those risks.

Details of the material financial risks which may impact on the MSL Group are set out in the notes to the FY2020 financial statements.

An updated review of the Company's risk management framework will take place in FY2021.

**Recommendation 7.3 – A listed entity should disclose:**

***(a) if it has an internal audit function, how the function is structured and what role it performs; or***

***(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.***

MSL does not have a separate internal audit function. Rather, assessment of the appropriateness of the Company's Risk Management Framework and governance systems is conducted by the Audit and Risk Committee. The Committee also monitors management's response to recommendations arising from such assessments.

**Recommendation 7.4 – A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.**

The Board does not consider that the Company has any material exposure to economic, environmental or social sustainability risks.

**Principle 8: Remunerate fairly and responsibly**

**Recommendation 8.1 – The Board of a listed entity should:**

***(a) have a Remuneration Committee which:***

***(1) has at least three members, a majority of whom are Independent Directors; and***

***(2) is chaired by an Independent Director,***

***and disclose:***

***(3) the charter of the Committee;***

***(4) the members of the Committee; and***

***(5) as at the end of each reporting period, the number of times the Committee met throughout the period and the individual attendances of the members at those meetings; or***

***(b) if it does not have a Remuneration Committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and Senior Executives and ensuring that such remuneration is appropriate and not excessive.***

The Board has a combined Nomination and Remuneration Committee. The Committee has a formal charter (as part of the Board Charter) that is available on MSL website (<https://mpowermsl.com/corporate-governance/>).

Details of the structure, meeting frequency and attendance, and charter of the Nomination and Remuneration Committee is set out in Recommendation 2.1.

The Chair of the Committee is Mr David Trude, who is an Independent Director. The members of the Committee, the number of times the Committee met and individual attendance at those meetings during FY2020 are set out in the 2020 Annual Report.

For the year ended 30 June 2020, the Nomination and Remuneration Committee was comprised of three Non-Executive Directors, two of whom are considered independent.

***Recommendation 8.2 – A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors and the remuneration of Executive Directors and other senior executives.***

MSL's remuneration structure distinguishes between Non-executive Directors and that of the Executive Chairman, Chief Executive and the Executive Team. A Remuneration Report as required under section 300A(1) of the *Corporations Act 2001* is provided in the Director's Report which forms part of the 2020 Annual Report.

***Recommendation 8.3 – A listed entity which has an equity-based remuneration scheme should:***

***(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and***

***(b) disclose that policy or a summary of it.***

MSL maintains Short Term Incentives for its key Senior Executives and Executive Directors which are set and reviewed annually.

The Company previously has in place a Long-Term Incentive Plan for Performance Rights and Share Appreciation Rights which are not quoted on the ASX. The Board, through its Nomination and Remuneration Committee, determine the allocation, performance and service conditions associated with an issue of Long-Term Incentives.

Allocations under these plans are prohibited from being transferred, except in the event of the death of the participant. The Company also has an approved option plan in place but does not typically issue options to employees as Long-Term Incentives. The Company's policies have been structured so that participants in the Company's equity-based remuneration schemes cannot enter into transactions which limit the economic risk of participating in those schemes.

Recommendations 9.1, 9.2 and 9.3 do not apply to MSL.