

Corporate Governance Statement

Corporate Governance Approach

The Board is responsible for the governance of the Company and has adopted the following framework to promote sound management of the Company with the aim of delivering shareholders increasing returns and long term value whilst also enhancing confidence.

The framework and associated practices were in place for the whole of the financial year ended 31st March 2018 and this statement was approved by the Board on 14th May 2018.

The framework and associated practices comply with the Corporate Governance Principles and Recommendations 3rd Edition unless otherwise stated.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.

The Board's primary function is to protect and increase long term shareholder value and outcomes. It operates in accordance with its Board Charter. The executive operations of the Company are performed by the Investment Manager, White Funds Management Pty Ltd and the Administrator, Link Fund Solutions Pty Ltd.

The Board is specifically responsible for:

- the prudential control of the Company's operations;
- the resourcing, review and monitoring of executive management including outsourcing;
- the timeliness and accuracy of reporting to shareholders; and
- the determination of the Company's broad objectives.

To assist in carrying out its responsibilities the Board has established several committees with written mandates and operating procedures which are reviewed on a regular basis. The board has also established a range of policies which govern its operation:

Day-to-day management of the Company's affairs including liaison and further delegation with outsourced service providers has been delegated to the Chief Executive Officer.

The Company Secretary is accountable to the Board directly through the Chairman on all matters relating to the proper functioning of the Board.

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 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.

PRINCIPLE 2: STRUCTURE FOR THE BOARD TO ADD VALUE

Composition and Structure of the Board

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

- Other than the Managing Director, a minimum of three and not more than five directors;
- An independent, non-executive director as Chairman; and
- A majority of independent non-executive directors.

An independent director is considered to be a director:

- (a) who is not a member of management;
- (b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- (c) is not a significant supplier to the Company;
- (d) has no material contractual relationship with the Company other than as a director; and

(e) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

In the context of director independence, "materiality" is considered from both the company and individual director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company's loyalty.

The following individuals compose the current Board of Directors and are considered independent in accordance with the above definition where indicated. The majority of the Board are independent directors.

| Name | Position | Independent | First Appointed | Length of Service |
|------------------------------|-------------------------|--------------------|------------------------|--------------------------|
| David J Iliffe | Non-Executive Chairman | Yes | 1990 | 27 years |
| Angus J Gluskie | Chief Executive Officer | No | 2003 | 14 years |
| Martin J Fowler ¹ | Non-Executive Director | Yes | 2008 | 9 years |
| Lance Jenkins | Non-Executive Director | Yes | 2017 | <1 year |
| William R Seddon | Executive Director | No | 2017 | <1 year |
| Mark A Beardow | Non-Executive Director | Yes | 2017 | <1 year |

¹Martin Fowler is a partner of Pitcher Partners Sydney, this interest is deemed immaterial.

Details of the Directors qualifications and experience are available on the Company's website.

The current Board comprises of six male directors.

No Directors other than the Chief Executive Officer shall hold office for a period in excess of three years or until the third AGM following their appointment without submitting their self for re-election.

The Board will hold four scheduled meetings each year plus any other strategic 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 strategy and outcomes. Submissions are circulated in advance.

Board Committees

The Board has established an Audit Committee, Nomination Committee and Remuneration Committee to assist in undertaking its duties. Each committee has a charter documenting its role and responsibilities and the current committees are comprised of the following directors:

| <i>Audit Committee</i> | <i>Nomination Committee</i> | <i>Remuneration Committee</i> |
|-------------------------------|------------------------------------|--------------------------------------|
| Martin Fowler – (Chairman) | David J Iliffe (Chairman) | David J Iliffe (Chairman) |
| Mark A Beardow | Mark A Beardow | Mark A Beardow |
| David J Iliffe | Martin J Fowler | Martin J Fowler |
| Lance Jenkins | Angus J Gluskie | Lance Jenkins |
| | Lance Jenkins | |
| | William Seddon | |

Nomination Committee

The Nomination Committee considers the appropriate size and composition of the Board, criteria for membership, identification of potential candidates and the terms and conditions of appointment to and retirement from the Board.

The Committee is responsible for:

- Conducting an annual review of the Board membership with regard to the present and future requirements of the Company and make recommendations as to composition and appointments;
- Review of Board succession plans, including succession of the Chairman, to maintain an appropriate balance of skills, experience and expertise;
- Conducting an annual review of the time required from non-executive directors, and whether the directors are meeting this;
- Requesting non-executive directors to inform the Chair and the Chair of the nomination committee before accepting any new appointments as directors;
- Conducting an annual review of the independence of directors; and
- Recommendations to the Board on necessary and desirable competencies of directors.
- Undertake appropriate checks on potential candidates to be appointed as directors and provide all material information to shareholders relevant to the decision to appoint or re-elect a candidate.

The Committee's target is to ensure that (as a minimum) director's skills collectively include investment, accounting, general business experience and shareholder representation. The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment.

The Committee is responsible for the review of the Board and its Committee's performance as a whole.

In order for a specific opportunity for performance matters to be discussed with each Director, each year the Chairman of the Board conducts a formal review process. The Chairman meets with each Director individually to discuss issues including performance and discusses with each Director the effectiveness of the Board as a whole, its Committees, individual Directors and the Chairman with the intention of providing mutual feedback. The Chairman reports on the general outcome of these meetings to the Nomination Committee. 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.

In accordance with the requirement for a Director (other than CEO) to offer themselves for re-election, shareholders are provided with the relevant qualifications and experience of the Director offering themselves for re-election.

Where a position becomes vacant on the Board, and an appointment is made, relevant qualifications and experience of any potential candidate will be provided to shareholders at the next Annual General Meeting to approve the appointment.

When considering candidates for a vacant Board position, the Company will seek to appoint the most appropriate candidate for the position regardless of gender, ethnicity or cultural background.

A newly appointed Director to the Board is issued with an agreement detailing the Director's Duties and disclosure requirements, and is also guided through the operation of the Board, its associated Charters and Policies. Any newly appointed Director is also encouraged to meet personally with the investment manager and administrator.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Ethical Standards

The Board expects all executive and non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All executive and non-executive directors must comply with the company's Code of Conduct and Ethics.

Share Trading Policy

Directors and senior management may transact in shares as described in the Securities Trading Policy. Generally, Directors and senior management can acquire shares in the Company, but are prohibited from dealing in Company shares (a) between the close of a month and the release of the company's net asset backing to the ASX or (b) whilst in possession of price-sensitive information.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. All members must be non-executive directors. The Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matter at the request of the Board. The Audit Committee will meet at least two times per year.

The Audit Committee consists of the following Non-Executive Directors:

Audit Committee

Martin Fowler – (Chairman)
Mark A Beardow
David J Iliffe
Lance Jenkins

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

The responsibilities of the Audit Committee are to ensure that:

1. Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
2. External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
3. Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
4. The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
 - (a) reviewing the terms of engagement, scope and auditor's independence;
 - (b) recommendations as to the appointment, removal and remuneration of an auditor; and
 - (c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence;
5. Review the Company's risk profile including material business risks and assess the operation of the Company's internal control system.
6. Conduct an annual review of the Chief Executive Officer's performance

External Auditor

The Board as a whole monitor 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 Company's current external auditor is MNSA Pty Ltd.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

Chief Executive Officer Performance

The Audit Committee undertakes a review of the Chief Executive Officers performance against relevant qualitative and quantitative measures and brings to the Board an assessment of the Chief Executive Officers performance. In respect of the current financial year the performance review of the Chief Executive Officer has been undertaken in accordance with the process disclosed.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has a written policy for complying with its Continuous Disclosure obligations.

The Chief Executive Officer is responsible for ensuring Whitefield Limited complies with its continuous disclosure obligations. All relevant staff of Link Fund Solutions Pty Limited and White Funds Management Pty Limited are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately once they become aware of it. The Company Secretary and Chief Executive Officer will then decide whether the information should be disclosed in accordance with the ASX Listing Rules.

Where possible, all continuous disclosure releases to the ASX are approved by the Board, except the monthly net asset backing per share which is approved by the Chief Executive Officer. Where time does not permit approval by the Board, the Chief Executive Officer must approve the release.

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

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

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

It is the intention of the Board to promote effective communication with shareholders and to encourage shareholder participation at AGM's. The Chief Executive Officer is responsible for the design, enhancement and implementation of the Company's investor relations program.

The Company has a website www.whitefield.com.au which contains information on the Company, its objectives, Directors, Corporate Governance Policies and pertinent financial information.

All announcements lodged with the ASX are available via a direct link from the Company's website.

Furthermore, an Annual Report will be mailed to shareholders at the close of the financial year, where requested; and is available on the website. The Company provides a quarterly update to shareholders which is mailed or delivered electronically as specified by the investor and the monthly net asset backing per share is released to the ASX by the 14th day following each month-end.

The Chief Executive Officer and Company Secretary are available to take shareholder queries by contacting the Company directly during office hours. If either the Chief Executive Officer or Company Secretary are unavailable to take shareholder queries a response will be provided as soon as practically possible. Shareholders can also submit enquires by post or by email mail@whitefield.com.au

The Directors also ensure they are available for informal questions following the Annual General Meeting of shareholders.

The Company has also adopted all available electronic options from the Company's Share Register to allow electronic delivery of information where selected by shareholders and the ability to cast votes electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile including material business risks and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee (a) requires executive management to report annually on the operation of internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (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. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board identifies the following business risks 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 Company has outsourced its administrative functions to service providers, RBC Investor Services (custody), Link Fund Solutions Pty Limited (accounting and administration) and White Funds Management Pty Limited (investment management and Company Secretarial). Accordingly risk issues associated with these activities are handled in accordance with the service providers' policies and procedures. Link Fund Solutions Pty Limited is responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting.

Link Fund Solutions Pty Limited as Administrator provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001. In respect of the current financial year all necessary declarations have been submitted to the Board. In addition, Link Fund Solutions Pty Ltd (accounting) 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. A representative from Link Fund Solutions Pty Limited is also invited to Meetings of Directors.

Market Risks

The Board is primarily responsible for recognising and managing market related risks. By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. White Funds Management Pty Ltd (investment manager), is required to act in accordance with the Board approved investment management agreement and reports to the Board quarterly on the portfolio's performance, material actions of

the investment manager during that quarter and an explanation of the investment manager's material proposed actions for the upcoming quarter. In addition, the investment manager is required to report half-yearly that White Funds Management Pty Ltd 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 Audit Committee and the Board perform regular risk reviews 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. The Company does not have an internal audit function.

Both Link Fund Solutions Pty Ltd and White Funds Management Pty Ltd are required to be audited on Internal Controls and required to submit a copy of their reports to the Audit Committee to confirm Compliance with the requirements of Australian Standard on Assurance Engagements ASAE3402 and the Auditing and Assurance Standards Board GS007.

The Company has no direct exposure to material environmental and social sustainability risks although as Listed Investment Company may have exposure through its investment portfolio. Overall risk within the investment portfolio is part of the Company's investment process and reviewed regularly by the investment team.

A review of the risk management framework has been undertaken during the financial year.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Committee

The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves. The Remuneration Committee meets once a year.

The Remuneration Committee consists of the following Non-Executive Directors:

Remuneration Committee

David J Iliffe (Chairman)

Mark A Beardow

Martin J Fowler

Lance Jenkins

The executive functions of the Company have been outsourced to Link Fund Solutions Pty Limited (accounting and administration) and White Funds Management Pty Limited (funds management and company secretarial). The responsibility for considering contractual arrangements with these parties lies with the Remuneration Committee.

Only non-executive directors receive remuneration in the form of directors' fees paid either as cash or superannuation contributions. Messrs Angus Gluskie and William Seddon do not receive any remuneration directly from the Company.