

## Governance investigation – Deloitte Risk Advisory ('Deloitte')

*The recommendations provided by investigators in September 2017 were forward looking and designed to enhance MIL's governance performance.*

*The recommendations included a blend of training and compliance-based processes to reinforce the understanding of the Board and Management of their responsibilities under the existing MIL policies, together with several additional strategic and long-term measures to drive better governance. The legally binding confidentiality provisions of the reports, acknowledged by all participants, pertaining to information relating to the individual parties named was respected by the previous Board and are rightly being upheld by the interim board.*

The tables that follow detail a summary of the investigator's recommendations and the interim Board's response to them. Neither the interim Board's actions, implementation or status have been reviewed, assessed or endorsed by Deloitte. In addition, these recommendations are being provided for information purposes and Deloitte is not responsible to MIL's shareholders for any loss or consequence from relying on the recommendations.

**Table 1. High-priority recommendations to be addressed before April**

Investigator's recommendation	Action by the interim Board	Status
Impose mandatory procedures requiring Directors to comply with the MIL Code of Conduct and Directors Handbook	Leadership sessions introduced to wide acclaim. All candidates in current election have signed to Code of Conduct and Directors Handbook	Finalised
Conduct an independent review of Board reporting functions, processes and report content and format	The interim Board is satisfied with the depth of reporting and processes now in place	Finalised
Introduce electronic or other measures to accurately minute Board and committee meetings, discussions and actions therefrom	The Board and management are investigating the most cost-effective options	Ongoing
Change the composition of the Remuneration and Nomination Committee to include more than one independent member	The company's EGM on April 4 passed a resolution to accommodate the appointment of three independent directors who will be available for the new board to appoint to the Remuneration and Nomination Committee	Finalised
Consider a non-board member to the Remuneration and Nomination Committee	This is a matter appropriately left to the new board	Pending
Restrict board communications to emails on the MIL email system specifically excluding SMS and text and personal email addresses	Implemented as policy	Finalised
Reinforce confidentiality obligations and ramifications of breaches	Implemented and continually addressed	Ongoing

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Declare confidentiality and conflict of interest in accordance with MIL policy	Implemented and continually addressed	Ongoing
Ensure directors receive appropriate training	Members of the permanent board have completed AICD courses. Potential candidates have attended a day long director/leadership training course	Finalised
Enforce Clause 7 of the Code of Conduct: Employees business and operational contact with directors is only through, or with the permission of the CEO	Implemented, continually reminded	Ongoing

**Table 2. Long term recommendations**

Investigator's recommendation	Action by the interim board	Status
An orderly transition of all current Board members at the expiry of their current four-year term	Previous board resigned as a single unit Interim board created New board being elected	Finalisation pending
Increase number of independent directors from two to four	Board recommendations reflected extensive feedback and results were constitutional vote at the EGM on April 4. The board now accommodates three independent directors	Finalised
Gender diversity and professionally-skilled Directors be considered a priority. The skillset and selection criteria should include persons with qualifications in accounting, business, engineering and law	Member feedback indicated a preference for farming diversity and gender diversity. Skillset and selection criteria will be addressed with the appointment of non-member directors	Independent director selections subject to the concurrence of the new board
Reduce board from eight to five or six, allowing for three independents	Members rejected the reduction in board size but accepted the recommendation to appoint three independent directors	Finalised