MACA LIMITED

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out MACA Limited's (the **Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**). The Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has followed the Recommendations.

The Company currently has in place a corporate governance plan (**Corporate Governance Plan**) which is available in a dedicated corporate governance information section of the Company's website at www.maca.net.au.

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the managing director and executive directors. The Board Charter also specifically outlines the role of the Company's executive directors.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
1.3	Companies should provide the information indicated in the *Guide to reporting on Principle 1*.	The Board Charter as set out in the Corporate Governance Plan is publicly available on the Company's website. The Board Charter discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the managing director and executive directors. The Board Charter also specifically outlines the role of the

		Company's executive directors. A performance review of the senior executives of the Company, Mr Chris Tuckwell, Mr Ross Williams and Mr Geoff Baker, took place in the financial year ended 30 June 2010. The Board will continue to conduct an evaluation of senior executives by the remainder of the Board in future years.
2.	***Structure the board to add value***	
2.1	A majority of the board should be independent directors.	Two of the five members of the current board (Mr Andrew Edwards and Mr Joseph Sweet) are considered to be independent directors. Although a majority of the board is not comprised of independent directors, the board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. Following admission to ASX, the Board intends to appoint a third non-executive director to the Board.
2.2	The chair should be an independent director.	The Company is in compliance with this recommendation as Mr Andrew Edwards, the current chairman of the Board, is an independent director.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The roles of the chair and chief executive officer are not exercised by the same individual.
2.4	The board should establish a nomination committee.	The Board, as a whole, will serve as the Company's nomination committee and one of the independent non-executive directors will be appointed as chair of the nomination committee. The Company's Corporate Governance Plan includes a Nomination Committee Charter which sets out the responsibilities of the nomination committee. The nomination committee is required to periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. Where necessary, the nomination committee seeks advice of external advisers in connection with the

		suitability of applicants for Board membership.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The Nomination Committee will conduct an annual performance review of the Board that compares the performance of the Board and senior executives with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate. The performance of the various Board committees is to be evaluated by the chair. The performance of each committee is measured against the scope and responsibilities detailed in their respective charters. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.
2.6	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	A description of the skills and experience of each of the current Directors is contained in the Company's Prospectus dated 1 October 2010. Two of the five members of the current board (Mr Andrew Edwards and Mr Joseph Sweet) are considered to be independent directors in accordance with the definition of an independent director as contained in the Corporate Governance Plan. Although a majority of the board is not comprised of independent directors, the board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time. In addition, following admission to ASX, the Board intends to appoint a third non-executive director to the Board. The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the chairman. The Board, as a whole, will serve as the Company's nomination committee and one of the independent non-executive directors will be appointed as chair of the nomination committee. The Company's Corporate Governance Plan includes a Nomination Committee

		Charter which sets out the responsibilities of the nomination committee. Where necessary, the nomination committee seeks advice of external advisers in connection with the suitability of applicants for Board membership. A performance review of the senior executives of the Company took place in the financial year ended 30 June 2010. The Board will continue to conduct an evaluation of senior executives by the remainder of the Board in future years. The Board will determine the procedure for the selection and appointment of new directors and the re-election of incumbents having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. The policy for the appointment of new directors is set out in the Corporate Governance Plan which is publicly available on the Company's website.
3.	***Promote ethical and responsible decision-making***	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. The corporate code of conduct is set out in the Corporate Governance Plan which is publicly available on the Company's website.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	The Company has established a policy concerning trading in the Company's securities by directors, senior executives and employees. The trading policy is set out in the Corporate Governance Plan which is publicly

		available on the Company's website.
3.3	Companies should provide the information indicated in the *Guide to reporting on Principle 3*.	The corporate code of conduct and the trading policy of the Company are set out in the Corporate Governance Plan which is publicly available on the Company's website.
4.	***Safeguard integrity in financial reporting***	
4.1	The board should establish an audit committee.	The Board has established an audit and risk committee to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	The composition, roles and responsibilities of the audit committee (when it is established) are set out in the Corporate Governance Plan. The audit and risk committee must comprise at least three members and a majority of the members of the committee must be independent non-executive directors. The audit and risk committee currently consists Mr Andrew Edwards (Non Executive Chairman) as chair of the committee, Mr Joseph Sweet (Non Executive Director) and Mr Ross Williams. Following admission to ASX, the Board intends to appoint a third non-executive director with appropriate finance skills to assume the role of chairman of the audit and risk committee.
4.3	The audit committee should have a formal charter.	The Company has adopted a formal charter for the audit committee.
4.4	Companies should provide the information indicated in the *Guide to reporting on Principle 4*.	The Board has established an audit and risk committee to assist the Board in monitoring and reviewing any matters of significance affecting financial reporting and compliance. The audit committee charter is set out in the Corporate Governance Plan which is publicly available on the Company's website. The audit committee will recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.

5.	***Make timely and balanced disclosure***	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has a continuous disclosure program in place designed to ensure compliance with ASX Listing Rule continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	Companies should provide the information indicated in *Guide to Reporting on Principle 5.*	The continuous disclosure policy of the Company is set out in the Corporate Governance Plan which is publicly available on the Company's website.
6.	***Respect the rights of shareholders***	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Corporate Governance Plan includes a shareholder communications strategy, which aims to promote effective communication with shareholders and ensure that shareholders are informed of all major developments affecting the Company's state of affairs.
6.2	Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	The shareholder communication policy of the Company is set out in the Corporate Governance Plan which is publicly available on the Company's website.
7.	***Recognise and manage risk***	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Company has established policies for the oversight and management of material business risks. The risk management policy of the Company is set out in the Corporate Governance Plan which is publicly available on the Company's website. The Company's audit and risk committee will meet at least twice a year and

		additionally as may be required.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures. The Chief Financial Officer will be responsible for ensuring the process for managing risks is integrated within business planning and management activities. Reports on risk management are to be provided to the audit and risk committee by the Chief Executive Officer or the executive director(s) responsible for the management of the individual risk. The Board will require the executive directors to implement risk management and internal control systems and provide a report at the relevant time.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 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.	Reports on risk management are to be provided to the audit and risk committee by the Chief Executive Officer or the executive director(s) responsible for the management of the individual risk. The Board will seek the relevant assurance from the Chief Executive Officer and the executive directors (or their equivalents) at the relevant time.
7.4	Companies should provide the information indicated in *Guide to Reporting on Principle 7.*	Reports on risk management are to be provided to the Company's audit and risk committee by the Chief Executive Officer or the executive director(s) responsible for the management of the individual risk. Management has not provided the report to the Board under Recommendation 7.2 for the financial year ended 30 June 2010. The Board will ensure that management provides the report under Recommendation 7.2 in future years. The Chief Executive Officer has not provided the assurance to the Board under Recommendation 7.3 for the financial year ended 30 June 2010. The Board will ensure that the Chief Executive Officer provides the assurance under

		Recommendation 7.3 in future years.
8.	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	The Company has established a remuneration committee for the purposes of reviewing and approving the executive remuneration policy. The remuneration committee shall comprise at least three directors, with a majority of those directors being independent non-executive directors. The remuneration committee currently consists of Non Executive Chairman Mr Andrew Edwards, non Executive Director Mr Joseph Sweet (as chair of the committee) and Executive Director Chris Tuckwell.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The Board will distinguish the structure of non executive director's remuneration from that of executive directors and senior executives. The Company's Constitution also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).
8.3	Companies should provide the information indicated in the *Guide to reporting on Principle 8*.	The Company has established a remuneration committee for the purposes of reviewing and approving the executive remuneration policy. The remuneration committee shall comprise at least three directors, with a majority of those directors being independent non-executive directors. The remuneration committee currently consists of Non Executive Chairman Mr Andrew Edwards, non Executive Director Mr Joseph Sweet (as chair of the committee) and Executive Director Chris Tuckwell. As at the date of this statement, there are no schemes for retirement benefits for non-executive Directors. The remuneration committee charter is set out in the Corporate Governance Plan which is publicly available on the Company's website. The Company does not currently have a policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity based remuneration schemes.