



2017 Corporate Governance Statement

MOELIS AUSTRALIA LIMITED

ACN 142 008 428

www.moelisaustralia.com



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The Moelis Australia Symbol is an award winning design which was originally developed for the Moelis Australia Asset Management division to help facilitate cultural alignment with its Chinese clients. The design was premised on Chinese tradition, and its belief that certain numbers are auspicious. The word for 'eight' (八 Pinyin: bā) sounds similar to the word which means 'prosper' or 'wealth'. Three eights is considered very lucky. The symbol was adopted by Moelis Australia upon its public listing given the significant synergies between Moelis Australia's three business divisions and the strong growth forecast by the Asset Management division.

Corporate Governance Statement

Year ended 31 December 2017

1. OVERVIEW

The Board is responsible for the overall corporate governance of Moelis Australia Limited (**Company**). The Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

This Corporate Governance Statement sets out the key features of the Company's governance framework and reports against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles and Recommendations**).

The Company listed on the Australian Securities Exchange (**ASX**) on 10 April 2017. From the date of listing, the Company's governance arrangements were consistent with the ASX Principles and Recommendations, other than as set out in this Corporate Governance Statement.

The policies and charters referred to in this Corporate Governance Statement are available via the "corporate governance" section of the Company's website which is available at the following URL: <https://investors.moelisaustralia.com/corporate-governance/>.

2. THE BOARD

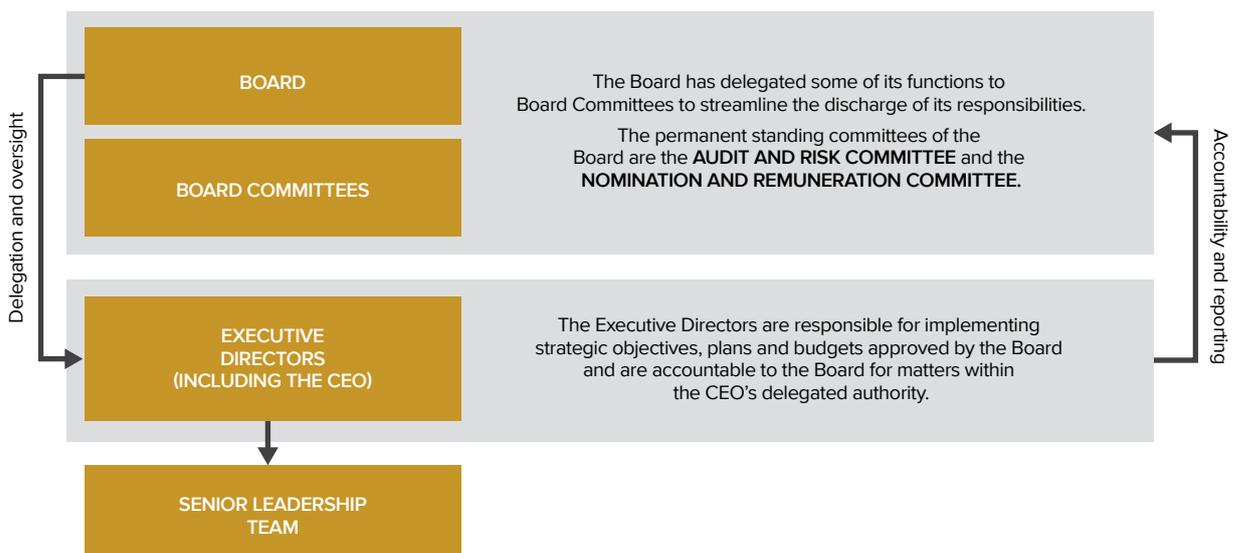
The role of the Board

The Board is responsible for overseeing the management of the Company. Its role is to:

- > represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance;
- > protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution;
- > set and monitor compliance with the Company's governance framework; and
- > ensure shareholders and other stakeholders are kept informed of the Company's performance and major developments.

While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the Chief Executive Officer (**CEO**) as directed by the Board.

The diagram below summarises the Company's governance framework.



The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

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Composition of the Board

As at the date of this statement, the Board is currently comprised of five Directors, being one independent Non-executive Director, two Non-executive Directors and two Executive Directors (including the CEO).

The current membership of the Board is set out in the table below.

DIRECTOR	POSITION	APPOINTED
Jeffrey Browne	Chairman and Independent Non-Executive Director	27 February 2017
Andrew Pridham	Executive Director and CEO	25 May 2010
Julian Biggins	Executive Director	2 February 2017
Kenneth Moelis	Non-executive Director	7 July 2010
Joseph Simon	Non-executive Director	7 June 2016

Details of the qualifications, experience and expertise of each Director, including current and former directorships, are set out on page 12 of the Company's 2017 Annual Report.

Attendance at Board and Committee meetings and the names of Committee members are included in the Directors' Report on page 15 of the 2017 Annual Report.

Director independence

The Board considers an independent director to be a Non-executive Director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. The assessment of independence will be conducted in accordance with the ASX Principles and Recommendations.

The Board considers that Jeffrey Browne is independent. Kenneth Moelis and Joseph Simon are both Non-executive Directors but they are not considered independent due to their association and employment by Moelis & Company Group LP (**Moelis & Company**), which is a major shareholder of the Company. The Board considers that Andrew Pridham and Julian Biggins are not independent as they are employed by the Company in an executive capacity.

The Board is not currently comprised of a majority of independent directors. Due to the complex and specialised nature of the industry, the Board considers that having a majority of directors with experience working with the Company (or Moelis & Company) is appropriate in the circumstances. In addition, each of the existing non-independent directors has been involved with the Company since its inception and provides the Board with valuable corporate and industry knowledge. The Board considers that the significant equity interest held in the Company by Moelis & Company and each of the executive directors provides a strong alignment of interest with shareholders. The Board considers that each Board member continues to bring objective and independent judgement to make decisions in the best interests of all shareholders and in accordance with their duties as Directors.

Director selection and succession planning

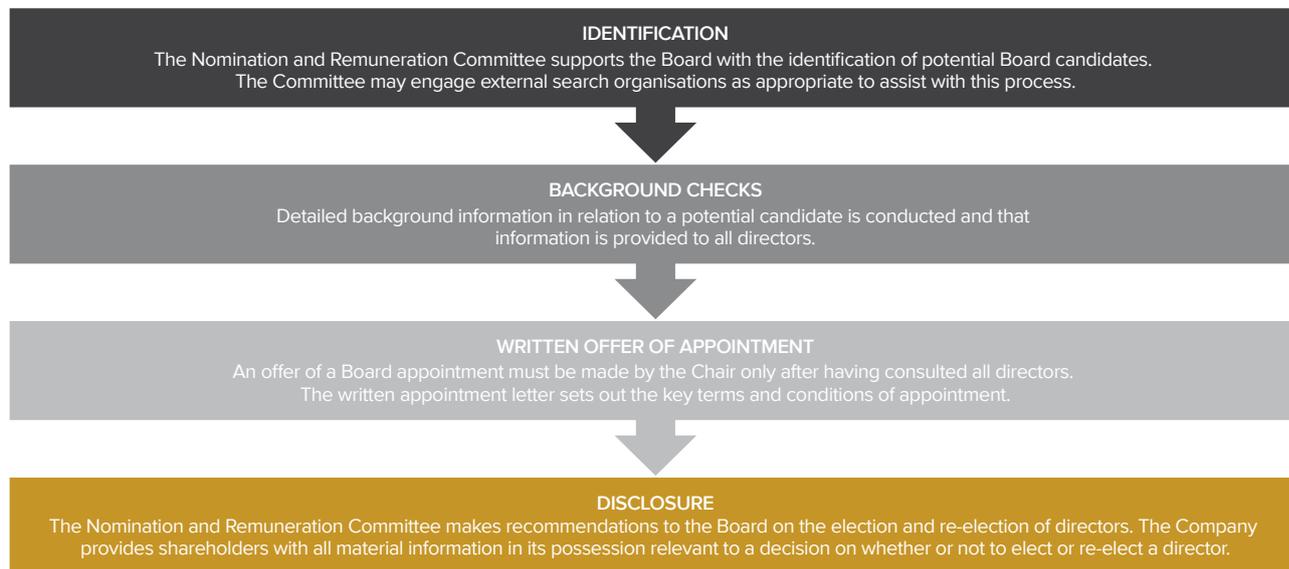
The Board seeks to ensure that it comprises Directors with a broad range of skills, expertise, experience and backgrounds. The Board, with the assistance of the Nomination and Remuneration Committee, reviews its size and composition having regard to this objective.

The present Board size is seen as appropriate for the nature of the Company's business and strategy.

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A brief overview of the process for the selection and appointment of Directors is set out below.



Mix of skills and diversity on the Board

The following table sets out the skills, experience and diversity of the five members of the Board. The Board believes that its membership should comprise directors with an appropriate mix and diversity of skills, professional experience, tenure and personal background.

SKILLS AND EXPERIENCE	EXPLANATION	NO. OF DIRECTORS (OUT OF 5)
Business development and strategy	Senior executive experience developing and directing the strategy of an organization to assist with the Board's review of strategy	5
Management and leadership	Experience in leading and managing diverse businesses and high performing teams of people to assist in attracting and retaining high performance executives	5
Financial acumen	Financial literacy assists in understanding of financial reporting and capital management strategies	5
Financial services industry experience	Experience in a senior position within financial services assists in understanding and reviewing the Company's businesses and strategy	5
Investment banking/ financial markets/ funds management	Experience in a senior position within these sectors assists in understanding and reviewing the Company's businesses and growth strategy	4
Corporate Governance including risk management	Experience in developing strategy, policies and frameworks to support sound corporate governance including identifying and monitoring material risks in a complex organisation	5
Accounting and law	Accounting and legal qualifications and/or experience provide the Board with financial and legal & compliance expertise in overseeing the integrity of the financial reporting and meeting the Company's legal and compliance requirements in regulated markets	2

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Induction and ongoing professional development opportunities

All new Directors participate in an induction process. The induction process includes meetings with key executives and senior management including the CEO, Chief Operations Officer (COO) and General Counsel, the provision of key Company materials including business descriptions, strategic plans, financial forecasts and core corporate governance policies, and meetings with other executive and non-executive Directors.

The Company also offers appropriate professional development opportunities for Directors to ensure that they are kept up to date with developments in the industry. Management also briefs the Board on relevant industry, regulatory and legal developments.

3. BOARD COMMITTEES

The Board from time to time establishes Committees to streamline the discharge of its responsibilities.

The permanent standing Committees of the Board are the Audit and Risk Committee and the Nomination and Remuneration Committee. Both standing Committees have a formal Charter which sets out matters relevant to their composition, responsibilities and administration.

The current composition of the standing Committees do not reflect the ASX Principles and Recommendations. In light of this, the Board notes the following:

- > the Board recognises the important role of each Committee and is dedicated to ensuring that each Committee functions transparently and effectively;
- > the Board considers that the Chair of the Board is the most appropriate person to chair both Committees, given his independence, considerable industry experience and expertise;
- > all of the Directors, individually and collectively, analyse the issues before them objectively in the best interests of all shareholders and in accordance with their duties as Directors; and
- > the Board considers that the current composition of each Committee is appropriate in light of the Company's operations and size, and allows each Committee to effectively discharge its roles and responsibilities as set out in the Committee Charters.

Audit and Risk Committee

The table below sets out the composition and key responsibilities of the Audit and Risk Committee.

COMPOSITION	MEMBERS	RESPONSIBILITIES
<p>The Committee must consist of:</p> <ul style="list-style-type: none"> > an independent Chair > a minimum of 3 members of the Board 	<p>Jeffrey Browne (Chair)</p> <p>Joseph Simon</p> <p>Julian Biggins</p>	<p>The Committee's key responsibilities and functions are to:</p> <ul style="list-style-type: none"> > oversee the Company's relationship with the external auditor and the external audit function generally; > oversee the preparation of the financial statements and reports; > oversee the Company's financial controls and systems; and > manage the process of identification and management of risk.

Non-Committee members, including members of management and the external auditor, may attend meetings of the Committee by invitation of the Committee Chair. The Committee has rights of access to management and auditors without management present, and rights to seek explanations and additional information from both management and auditors.

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Responsibilities in relation to the external audit

The Audit and Risk Committee provides a link between the Company's external auditor, the Board and management. It also has the responsibility (subject to Corporations Act requirements) for the appointment, terms of engagement and compensation for the external auditor. The Committee will also evaluate the effectiveness of the annual audit and the independence of the external auditor.

The Committee's role in relation to the internal audit function is discussed on page 7 of this Corporate Governance Statement.

Nomination and Remuneration Committee

The table below sets out the composition and key responsibilities of the Nomination and Remuneration Committee.

COMPOSITION	MEMBERS	RESPONSIBILITIES
<p>The Committee must consist of:</p> <ul style="list-style-type: none"> > an independent Chair > a minimum of 3 members of the Board 	<p>Jeffrey Browne (Chair)</p> <p>Andrew Pridham</p> <p>Ken Moelis</p>	<ul style="list-style-type: none"> > The Committee's role with respect to nomination includes reviewing and recommending to the Board the size and composition of the Board including reviewing succession planning, performance evaluations and the development of a Board skills matrix. > The Committee's role with respect to remuneration includes recommending to the Board arrangements for executives and key management personnel, including annual remuneration and participation in the Company's bonus and incentive schemes.

Non-Committee members, including members of management, may attend meetings of the Committee by invitation of the Committee Chair.

4. PERFORMANCE EVALUATION

Board performance evaluation process

The Company has established the following performance evaluation processes for the Board, Committees and individual Directors:

- > on an annual basis, Directors will provide feedback in relation to the performance of the Board, its Committees and individual Directors;
- > each Committee will provide feedback in terms of a review of its own performance;
- > feedback will be collated by the Chair, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees;
- > in the case of the Chair of the Board's performance, feedback will be collected by a nominated non-executive Director; and
- > the CEO will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.

Performance evaluations of the Board, its Committees and each Director did not take place in 2017 as the Company was only listed part way through the year. Performance evaluations will take place in 2018 in accordance with the processes described above.

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Senior executive performance evaluation process

The performance of the Company's senior executives is assessed on an annual basis. The annual assessment of the performance of all direct reports to the CEO is undertaken by the Remuneration and Nomination Committee on the basis of recommendations by the CEO. The Remuneration and Nomination Committee separately assesses the performance of the CEO on an annual basis (during which the CEO excludes himself). The Remuneration and Nomination Committee provide the Board with its recommendation on the performance of the CEO and all direct reports to the CEO as part of the annual remuneration review process undertaken in December each year.

A performance evaluation for the Executive Directors (including the CEO), and all direct reports to the CEO was undertaken in 2017 in accordance with the process described above.

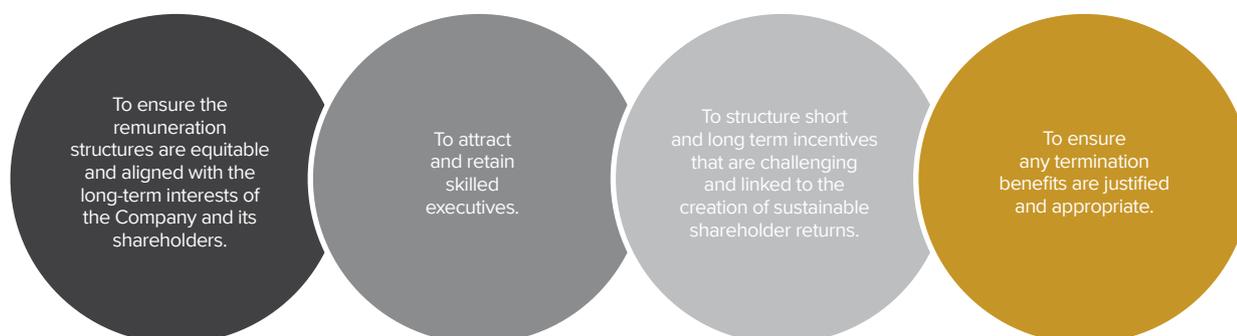
5. REMUNERATION

Remuneration of Non-executive Directors

The Company's remuneration policy for Non-executive Directors aims to ensure that the Company can attract and retain suitably qualified and experienced Non-executive Directors. Further information about the Company's remuneration arrangements and governance is contained in the Company's Remuneration Report on pages 20 to 25 of the 2017 Annual Report.

Remuneration of senior executives

The Executive Directors and other senior executives have written employment agreements setting out the terms of their employment, including remuneration. In considering executive remuneration, the Board and the Nomination and Remuneration Committee are guided by the following policy objectives:



These objectives ensure that the level and composition of remuneration is appropriate, and also that there is a clear link between pay and performance. The Board believes that focusing on linking remuneration to performance and providing senior executives with equity that provides significant alignment to the creation of long term value to shareholders is the most appropriate way of attracting and retaining high performing senior executives at the Company.

Further information about executive remuneration is set out in the Remuneration Report.

6. RISK FRAMEWORK

Risk identification and management

The Audit and Risk Committee assists the Board with regard to oversight of the Company's risk management practices by reviewing and reporting to the Board that the Committee has, at least annually, reviewed the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk.

In line with the ASX Principles and Recommendations, the Company's risk management framework is reviewed annually. The Audit and Risk Committee conducted this review during 2017 and satisfied itself that the Company's risk management framework is appropriate and sound for the risks identified.

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The Company seeks to take and manage risk in ways that will generate and protect shareholder value and recognises that the management of risk is a continual process and an integral part of the management and corporate governance of the business.

The Company acknowledges that its reputation is of great importance and it has an obligation to all stakeholders, including shareholders, investors in the Company's managed funds, customers, employees, contractors and the wider community and that the efficient and effective management of risk is critical to the Company meeting these obligations and achieving its strategic objectives.

Internal audit

The Company does not currently have an internal audit function. Instead, the senior executive team, working with external advisors as appropriate, oversee the adequacy and effectiveness of the Company's systems of risk management, internal control and governance, and provide recommendations to improve the efficiency and effectiveness of these systems and processes.

In addition, the Audit and Risk Committee monitors and reports to the Board that:

- > adequate policies and processes have been designed and implemented to manage identified risks; and
- > proper remedial action is undertaken to redress areas of weakness.

Business and sustainability risks

The Board and the Company's management are committed to building a sustainable business that appropriately manages economic, environmental and social sustainability risks. The Board, with the assistance of the Audit and Risk Committee, identifies and manages these risks in accordance with the Company's overall risk management policies and framework.

The Audit and Risk Committee has identified the following key economic, environmental and social sustainability risks and updates the Board, at least annually, on the management of these sustainability risks:

TYPE OF RISK	CATEGORY OF RISK	MANAGED THROUGH
Unfavourable economic impacts (globally and locally)	Economic	Regular Investment Committee meetings Senior executive monitoring and reporting Disciplined capital management
Investment management and acquisitions	Economic	Robust due diligence Budgeting and forecasting management Regular senior executive monitoring and reporting
Regulatory risk	Economic/Social	Code of Conduct Risk management framework Compliance policies
Reputational risk	Social/Economic	Code of Conduct Risk management framework Compliance policies
People – attraction and retention of talent	Social	Diversity Policy Equity Incentive Plan Code of Conduct

Given the nature and size of the Company's business and operations, the Company does not have any material environmental sustainability risks.

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Financial statements declarations

The CEO and COO have provided a written certificate to the Board in respect of the 2017 half year and full year statutory accounts of the Company that:

- > in their opinion, the financial records of the Company have been properly maintained and the statutory accounts comply with the relevant accounting standards and other mandatory reporting requirements and give a true and fair view of the financial position and performance of the Company; and
- > their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

7. GOVERNANCE POLICIES

Diversity Policy

The Board believes that diversity is an important component of the Company's ability to attract, retain, motivate and develop the best talent, create an engaged workforce, deliver the highest quality service to its customers, and continue to grow the business profitably.

The Company has adopted a Diversity Policy which sets out the Company's commitment to increasing workplace diversity across all levels of the Company. Under this policy, the Company will aim to achieve greater diversity by setting objectives at all management and leadership levels, broadening the field of potential candidates for positions and promoting the benefits of workplace diversity to all employees.

Measurable objectives

Given the Company has only been listed since April 2017, it will disclose its measurable objectives for achieving increased workplace diversity and its progress towards achieving them in the 2018 Corporate Governance Statement.

Gender diversity data

The proportion of men and women in the Company's workforce as at 19 February 2018 are set out in the following table:

LEVEL/ROLE	MEN	WOMEN
Workforce	74%	26%
Senior executives ¹	90%	10%
Board	100%	0%

¹ For these purposes, senior executives includes all employees with a title of Vice President, Executive Director or Managing Director or functional equivalent.

Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. The Company's Code of Conduct addresses matters relevant to the Company's legal and ethical obligations and standards it expects from its Directors, officers and employees. The Policy outlines its requirements with respect to relationships, compliance with laws and ethics, conflicts of interest, confidentiality, use of the Company's assets and competition.

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Securities Dealing Policy

The Company has adopted a Securities Dealing Policy that explains the types of conduct in relation to dealings in its own securities that are prohibited and establishes procedures for the buying and selling of its securities that protect the Company, its Directors and employees against the misuse of information, which could materially affect the value of the Company's securities.

Disclosure Policy

The Company is committed to complying with its disclosure obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's shares.

The Company has adopted a Disclosure Policy which reinforces the Company's commitment to its continuous disclosure obligations, and describes the processes in place that enable the Company to provide shareholders with timely disclosure in accordance with those obligations.

Communications with shareholders

The Company is committed to:

- > communicating openly and in a timely manner with its shareholders;
- > keeping shareholders informed of all major developments affecting the state of affairs of the Company;
- > encouraging two-way communication with shareholders; and
- > providing the market and other interested stakeholders with access to information about the Company from time to time.

The Company communicates information regularly through a range of platforms and publications, including its website, the ASX Market Announcements Platform, its annual and half-year reports and its Annual General Meeting.

The Company encourages shareholders to submit documents for the Annual General Meeting electronically and submit questions in advance of the Annual General Meeting, to facilitate and encourage participation at shareholder meetings. The Company will also ensure that the external auditor is available at the Annual General Meeting to address relevant shareholder questions.

Contact details for investor relations and Boardroom Pty Limited, the Company's share registry, are on the Company's website. Shareholders may elect to receive communications from, and send communications to, the Company and its share registry electronically.

This Corporate Governance Statement is current as at 19 February 2018 and has been approved by the Board.



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