



# Corporate Governance Statement

**Version Adopted: 28 August 2018**

**Experience Co Limited**  
ACN 167 320 470

# Experience Co Limited

ABN: 56 167 320 470

## Corporate Governance Statement

The Directors and management of Experience Co Limited (EXP or the Group) are committed to conducting business in an ethical manner and in accordance with the highest standards of corporate governance. The Group has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Third Edition) (**Recommendations**) appropriate to the size and nature of the Group's business.

This statement sets out the extent to which the Group has complied with the Recommendations for FY2018 and provides explanations to the extent not followed.

This statement is current as at 28 August 2018 and has been approved by the Board of EXP.

The Group's corporate governance policies and charters are available under the Investor Centre section of the Group's website ([www.experienceco.com](http://www.experienceco.com)) (**Website**).

### **PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Functions reserved for the Board and those delegated to Management**

The Board has adopted a Board Charter which establishes the role of the Board and its relationship with management. The Board Charter sets out the division of responsibilities between the Board and management in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities.

As detailed in the Board Charter, the primary role of the Board is the protection and enhancement of long term Security Holder value and its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is responsible for the overall corporate governance of the Group.

The Board Charter sets out the role and responsibility of the Chair of the Board and outlines the Board's policy on when and how Directors may seek independent professional advice.

The Board has delegated to the Managing Director, (**MD**) and Chief Executive Officer (**CEO**) the authority and power to manage the Group within levels of authority specified by the Board from time to time. The MD and CEO may sub-delegate aspects of their authority and power but remain accountable to the Board for the Group's performance and are required to report regularly to the Board on the progress of the Group's business units.

In accordance with the Board Charter, the Board will review the Board Charter annually, and in doing so will continually review the division of functions between the Board and management to ensure that it continues to be appropriate to the needs of the Group.

A copy of the Board Charter is available on the Website.

## **Remuneration and Nomination Committee**

The Board has established and operates a Remuneration and Nomination Committee. The Remuneration and Nomination Committee's functions and powers are formalised in a Remuneration and Nomination Committee Charter, a copy of which is available on the Website.

The nomination-related function of the Remuneration and Nomination Committee is to, as required:

- I. identify suitable candidates with appropriate skills, experience, expertise and diversity to complement the existing Board, in order for the Board to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board;
- II. undertake appropriate checks on Director candidates and seek confirmation from candidates that he/she will have sufficient time to fulfil his or her responsibilities as a Director; and
- III. subject to the results of such checks and confirmations, make recommendations to the Board on their appointment.

Where appropriate, external consultants may be engaged to assist in candidate recruitment and undertake relevant checks.

During the year, appropriate background and other checks on Directors in relation to election and re-election of Directors was undertaken. The Group will provide all material information to Security Holders in relation to election and re-election of Directors at the 2018 Annual General Meeting.

All Directors and senior executives have entered into written agreements with the Group setting out the terms of their appointment. Senior executives including the MD, CEO and Chief Financial Officer (CFO) have formal job descriptions and services agreements with the Group describing their term of office, duties, rights and responsibilities and entitlements on termination.

The Board Charter provides that the Company Secretary is accountable to the Board through the Board Chair on all corporate governance matters and on the proper functioning of the Board. All Directors have access to the Company Secretary. The decision to appoint or remove the Company Secretary is reserved for the Board.

## **Diversity and Anti-Discrimination**

The Group's workforce comprises individuals with diverse skills, backgrounds, perspectives, and experiences and this diversity is recognised, valued and respected.

The Group does not discriminate on any grounds and determines appointments and reviews solely on merit.

The Group has adopted a Diversity Policy that is in accordance with Recommendation 1.5. The Policy is available on the Website.

The Group acknowledges gender diversity in its approach to increasing and retaining high quality employees and enhancing corporate image and reputation.

As at 30 June 2018, EXP was an employer of 100 or more employees in Australia and as such reports annually under and continues to be compliant with the Workplace Gender Equality Act.

## **Board and Senior Executive Evaluation**

In accordance with the Board Charter, the Remuneration and Nomination Committee is required to carry out a formal review of the performance of the Board, its Committees and each individual Director, against appropriate measures, engaging an external consultant, as required. The review assesses, amongst other things:

- I. the effectiveness of the Board and each Committee in meeting the requirements of its Charter;
- II. whether the Board and each Committee has members with the appropriate mix of skills and experience to properly perform their functions;
- III. the contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and
- IV. whether adequate time is being allocated to the Group's matters, considering each Director's other commitments.

Performance evaluations are scheduled to be performed in H12019. Key outcomes will be used for future Board process and development.

The Remuneration and Nomination Committee and the Audit and Risk Committee are also required to evaluate their own performances at least once every two years to determine whether each Committee is functioning effectively by reference to current best practice.

In accordance with the Board Charter, the Remuneration and Nomination Committee is required to review the performance of senior management, annually, against appropriate measures, using where necessary an external consultant.

Each year, the Remuneration and Nomination Committee is required to review the performance of the MD and CEO and any other executive Directors, as may be appointed, against guidelines approved by the Board.

In accordance with this process, an evaluation will be undertaken following release of the Annual Report.

## **PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE**

The Board has an established Remuneration and Nomination Committee which for the majority of the year comprised three Independent Non-Executive Directors, Mr William Beerworth (Chair), Mr John Diddams and Mr Colin Hughes. Following the resignation of Mr William Beerworth on 30 April 2018, due to ill health, the Committee comprised 2 members, Mr John Diddams, Acting Chair of the Committee and Mr Colin Hughes. In August 2018, the Board appointed Mr Bob East as an additional Committee member and Chair of the Committee, strengthening the expertise and ensuring appropriate discussion and deliberation on the Committee. The Remuneration and Nomination Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.

The nomination-related function of the Remuneration and Nomination Committee is, in summary, to review and make recommendations to the Board, in relation to the composition and performance of the Board and its Committees and to ensure that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). The Remuneration and Nomination Committee meets as often as is required by the Remuneration and Nomination Committee Charter or other policy approved by the Board to govern the operation of the Remuneration and Nomination Committee. Following each meeting, the Committee reports to the Board on any matter that should be brought to the Board's attention. During the year, the Remuneration and Nomination Committee held two meetings. The number of meetings held and attended during FY2018 is disclosed in the Director's Report of the Company's 2018 Annual Report.

A copy of the Remuneration and Nomination Committee Charter is available on the Website.

The Board considers that its size, mix of skills, experience and expertise is appropriate to meet the current needs and future objectives of the Company and is conducive to effective discussion and decision making processes. The Board will continue to assess skills appropriate for the size and nature of the business on a regular basis. An assessment of the skills, experience and expertise of the Directors was performed in August 2018.

On a collective basis the Board possesses medium to high levels of skills and expertise in the following areas: Leadership, governance, global markets, strategy, industry knowledge, aviation, travel and tourism, brand and marketing, Ecommerce, investor relations, financial acumen, risk management, legal and compliance, HR, Diversity, WHS and CSR.

### **Independence of Directors**

As at 30 June 2018 and currently, the Independent Non-Executive Directors of the Board comprise Mr John Diddams, Mr Colin Hughes and Mr Bob East.

The Board has considered the circumstances of each Director and determined that all three Non-Executive Directors are independent Directors on the basis that they are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of their judgement. In reaching this conclusion, the Board considered the guidelines of materiality for the purpose of determining Director independence as set out in, the Board Charter and Recommendation 2.3.

The length of service of each Director is set out below by reference to each director's date of appointment:

19 December 2013 - Mr Anthony Boucaut;

23 December 2014 - Mr Anthony Ritter and Mr John Diddams;

9 June 2016 – Mr Colin Hughes

30 April 2018 – Mr Bob East

At 30 June 2018, the Board comprised Mr Anthony Boucaut, Mr Anthony Ritter, Mr John Diddams, Mr Colin Hughes and Mr Bob East. The Board considers Mr John Diddams, Mr Colin Hughes and Mr Bob East to be Independent Directors.

Since the resignation of Mr William Beerworth from the Board on 30 April 2018, Mr John Diddams has held the position of Acting Chair of the Board. Mr John Diddams is an Independent Non-Executive Director. Mr Anthony Ritter is the CEO.

The Remuneration and Nomination Committee is tasked with ensuring that an effective induction process is in place for newly appointed Directors and the review of those induction procedures. In addition, the Remuneration and Nomination Committee is responsible for ensuring that incumbent Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. When Directors join the Board they undertake a comprehensive induction program, which includes the provision of information on the Group's core values, key strategies and objectives, as well as its governance framework and operations. Newly appointed Directors also meet with key senior management to gain an understanding of the Group's business.

The Board receives ongoing governance updates as required, including recent legislative and regulatory changes and developments in corporate governance. All Directors have ongoing access to information on the Group's operations and to the Group's senior management. Directors are able to seek reasonable independent professional advice on any business-related matter at the expense of the Group. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.

### **PRINCIPLE 3 – ACT ETHICALLY**

The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, a copy of which is available on the Website which sets out the way in which EXP seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on EXP and in strict compliance with all laws and regulations. The Code of Conduct articulates acceptable practices for Directors, senior executives and employees to guide their behaviour and to demonstrate the commitment of the Group to ethical practices. The Group also seeks to ensure that advisers, consultants and contractors are aware of the Group's expectations as set out in its Code of Conduct. Responsibilities of the Group's personnel under the Code of Conduct include protection of EXP'S business, using EXP resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

### **PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

#### **Audit and Risk Committee**

The Board has an established Audit and Risk Committee which for the majority of the year comprised three Independent Non-Executive Directors, Mr William Beerworth, Mr John Diddams (Chair of the Committee) and Mr Colin Hughes. Following the resignation of Mr William Beerworth as Independent Non-Executive Director and Chair of the Board on 30 April 2018, Mr John Diddams was also the Acting Chair of the Board. In August 2018, the Board appointed Mr Bob East as an additional Committee member. As outlined in the announcement to market on 30 April 2018, the intention is for Mr Bob East to be appointed Chair of the Board following his re-election at the 2018 Annual General Meeting. Mr Anthony Ritter is CEO of the Group.

The role of the Audit and Risk Committee is to oversee the Group's financial reporting and audit functions. This includes confirming the quality and reliability of the financial information prepared by the Group, working with the external auditor and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.

The Audit and Risk Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.

The Audit and Risk Committee will meet as often as is required by the Audit and Risk Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Committee. The Chair of the Committee may invite other Directors, members of senior management and representatives of the external auditor to be present at meetings of the Committee and seek advice from external advisers. The Audit and Risk Committee will regularly report to the Board about Committee activities, issues and related recommendations.

During the year, the Audit and Risk Committee held 4 meetings. The number of meetings held and attended during FY2018 is disclosed in the Director's' Report of the Company's 2018 Annual Report.

### **Certification of Financial Report**

The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.

The Board, with the guidance of the Audit and Risk Committee, reviews the Group's half yearly and annual financial statements.

The Board has a process to receive written assurances from the CEO and the CFO that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results, and are in accordance with relevant accounting standards, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board does and will continue to seek these assurances prior to approving the annual financial statements for all half year and full year results.

In accordance with the Group's Shareholders Communications Policy, a copy of which is available on the Website, shareholders are encouraged to attend the Group's Annual General Meeting. The Group's external auditor is required to attend the Annual General Meeting and Security Holders will be given an opportunity to ask questions of the Group's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

The auditors of the Company attended the 2017 Annual General Meeting.

### **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

The Board has adopted a Continuous Disclosure Policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.

The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Group's securities and improving access to information for all investors.

The purpose of these procedures is to ensure timely and accurate information is provided to Security Holders and market participants.

A copy of the Continuous Disclosure Policy is available on the Website.

## **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

The Investor Centre section of the Group's Website is the primary medium of providing information to all Security Holders and stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.

The Investor Centre section of the Website contains information relevant to shareholders and stakeholders including:

- I. links to the ASX for all relevant announcements made to the market, including annual and half yearly reports;
- II. all corporate governance policies and charters adopted by the Board;
- III. share price information; and
- IV. a copy of the Group's constitution.

The Board is committed to facilitating effective two-way communication with its Security Holders, investors and stakeholders and has adopted a Shareholders Communications Policy to define and support this commitment. A copy of the Shareholders Communications Policy is available on the Website.

The Shareholders Communications Policy sets out the Group's investor relations approach, namely by communicating with its Security Holders and investors by posting information on the Website, and by encouraging attendance and participation of Security Holders at general meetings.

Following the release of the Group's half-year and full-year results, the Group conducts a results announcement briefing which the public, including the media, all Security Holders, stakeholders and new investors, are invited to attend. In addition, the Group also conducts investor and analyst briefings at which institutional investors and stockbroking analysts are briefed. At these meetings, attendees are given an opportunity to ask questions of the MD, CEO and CFO.

Security Holders are encouraged to attend the Group's general meetings and notice of such meetings will be given in accordance with the Group's Constitution, the Corporations Act and the ASX Listing Rules.

The Group's annual general meeting in particular is an opportunity for Security Holders to receive updates from the MD, CEO and Chair of the Board on Group performance, ask questions of the Board and vote on the various resolutions affecting the Group's business. Security Holders are also given an opportunity at the Annual General Meeting to ask questions of the Group's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

The date, time and location of the Group's general meetings will be provided in the notices of meetings and on the Website. Whilst Security Holders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.

Investors are able to communicate with the Group electronically by emailing the Company Secretary at [companysecretary@experienceco.com](mailto:companysecretary@experienceco.com)

Investors are also able to communicate with the Group's share registry electronically by emailing the registry or via the registry's website.

The Group encourages its shareholders to receive company information electronically by registering their email addresses online with EXP's share registry.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

The Board has established an Audit and Risk Committee – refer to section 4 for information on the Committee and Committee members.

The risk-related role of the Audit and Risk Committee is to oversee the Group's internal control structure and risk management systems, to provide advice to the Board and to report on the status and management of the risks to the Group. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.

The Audit and Risk Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.

The Audit and Risk Committee will meet as often as is required by the Audit and Risk Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Committee.

The Group operates various policies and procedures to identify, assess and manage business and operational risks. Responsibility for risk management is shared across the organisation. The Board is responsible for overseeing the establishment of and approving risk management strategy, policies, procedures and systems of the Group. EXP management is responsible for establishing the Group's risk management framework.

The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring the Group's risk management framework to provide assurance that significant business risks are identified, assessed and appropriately addressed. In addition, the Audit and Risk Committee is required, under its charter, to undertake a review of the Group's risk management framework with management, at least once annually. A review of the Group's exposure to key risks was undertaken during the financial year.

The Group does not have an internal audit function, however, as set out in the Audit and Risk Committee Charter, the Committee has responsibility to ensure that the Group has appropriate internal audit systems and controls in place and for overseeing the effectiveness of these internal controls. The Committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls. The Group's external auditors also provide recommendations to the Board where internal control weaknesses have been identified.

The Audit and Risk Committee is responsible for overseeing the implementation of recommendations to improve internal control weaknesses identified by the Group's auditors, as well as to generally oversee reviews and improvements to risk management and internal control processes.

The Group's operations are not subject to significant environmental regulation under the law of the Commonwealth and State. The Group has established procedures whereby compliance with existing environmental regulations and new regulations are monitored. This process includes procedures to be followed should an incident adversely impact the environment. The Group holds relevant and valid permits under the Great Barrier Reef Marine Park Authority (GBRMPA) and the Group carries out its activities within the guidelines prescribed by GBRMPA.

#### **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

The Board has an established Remuneration and Nomination Committee – refer section 2 for information on the Committee and Committee members.

The Remuneration and Nomination Committee's functions and powers are formalised in a Remuneration and Nomination Committee Charter, a copy of which is available on the Website.

The remuneration-related role of the Remuneration and Nomination Committee is to review and make recommendations to the Board on remuneration packages and policies relating to the Directors, MD, CEO and senior executives and to ensure that the remuneration policies and practices are consistent with the Group's strategic goals and human resources objectives. The Committee is also responsible for administering short and long-term incentive plans.

The Remuneration and Nomination Committee will meet as often as is required by the Remuneration and Nomination Committee Charter or other policy approved by the Board to govern the operation of the Remuneration and Nomination Committee.

Following each meeting, the Remuneration and Nomination Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Remuneration and Nomination Committee that requires Board approval.

#### **Directors and Key Management Personnel Remuneration**

Details of the Directors' and Key Management Personnel remuneration and the structure of Non-Executive Directors' remuneration is distinct from that of executives and is detailed in the Remuneration Report section of the Group's 2018 Annual Report.

The Group has adopted a Long-term Incentive plan (LTI) to assist in the motivation, retention and reward of the MD, CEO and certain senior executives. The LTI is designed to align the interests of the MD, CEO and senior executives more closely with the interests of Security Holders by providing an opportunity for senior executives to receive an equity interest in the Group through the granting of options and equity interest, the vesting of which is subject to the Remuneration and Nomination Committee's review of performance and the terms of any grants.

A summary of the LTI is provided in the Group's 2018 Annual Report.

Participants in the LTI are not permitted to hedge or otherwise limit the economic risk of participating in the LTI.

### **Securities Trading Policy**

In addition, the Group has adopted a Securities Trading Policy which, unless, in accordance with the terms of the Securities Trading Policy, full disclosure has been provided and the express written consent of the Chair of the Board is obtained, prohibits Directors, the MD, CEO and senior executives and other Key Management Personnel and their closely related parties from entering into any arrangement that would have the effect of, directly or indirectly, granting any form of security (whether by way of charge, mortgage, pledge or otherwise) over any EXP securities which are unvested or subject to a holding lock, to secure any obligation or enter into any margin lending arrangement involving EXP securities.

A copy of the Group's Securities Trading Policy is available on the Website.