

# URBANISE.COM LIMITED CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Urbanise.com Limited (Company) is committed to maintaining high standards of Corporate Governance. This Corporate Governance Statement provides an outline of the main corporate governance practices that the Company had in place during the past financial year.

The Board believes that the Company's policies and practices are consistent in all substantial respects with good corporate governance practice in Australia and appropriate for the circumstances of the Company, including the ASX Corporate Governance Council Principles and Recommendations (3rd edition) (ASX Principles).

The information in this Statement has been approved by the Board and is current as at 13 October 2016.

## **Role of the Board and management**

The respective roles and responsibilities of the Board and management are detailed in the Board Policy available on the Company's website.

The Board Policy also sets out the matters expressly reserved to the Board and those delegated to management.

## **Appointment, induction and training**

When selecting new Directors, the Board ensures that the candidate has the appropriate range of skills, experience and expertise to ensure the Board's effectiveness.

The Company ensures that appropriate background checks are undertaken regarding the potential new Director's character, experience, education, criminal record and bankruptcy history before appointing or putting forward a Director to shareholders for election as a Director.

The Company also provides its shareholders with all material information in its possession that is relevant to a decision on whether or not to elect or re-elect a Director through the Notice of Meeting, Director resumes and other information contained in its Annual Reports.

Upon appointment, each Director (and senior executive) receives a written agreement which sets out the terms of their appointment and undergoes an induction program.

Directors are also provided with regular professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

## **Board performance**

The Company believes it is important that the Board reviews its own performance to ensure it continues to perform at a high level. Under the Board Policy, the Board must conduct an annual performance review. The Board Policy sets out the process for this review.

The Board of Directors completed a board review in 2016.

## **Independence of the Board**

The Board assesses the independence of Non-Executive Directors against the definition of independent Director and the factors set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations.

The majority of the Board are independent Directors, including the Chairman. The Board's assessment of the independence of each current Director and their appointment date is set out below.

| <b>Name</b>            | <b>Status</b>                       | <b>Appointment date</b> |
|------------------------|-------------------------------------|-------------------------|
| Arlene M Tansey        | Independent, non-executive Director | 27 June 2014            |
| Ben John Churchill     | Executive director                  | 12 February 2014        |
| Russell William Bate   | Independent, non-executive Director | 26 March 2014           |
| David Bruce Burlington | Independent, non-executive Director | 26 March 2014           |
| Robert Gordon Cumming  | Executive director                  | 1 February 2001         |

### **Board skills and experience**

The skills and experience of the Directors is set out in the matrix below.

| <b>Experience</b>  | <b>Industry</b>  |
|--|--|
| <ul style="list-style-type: none"> <li>• Facilities management</li> <li>• Technology design and productisation</li> <li>• Strategic business consulting</li> <li>• R&amp;D</li> <li>• Product strategy</li> <li>• Product management</li> <li>• Engineering</li> <li>• Customer support</li> </ul> | <ul style="list-style-type: none"> <li>• Commercial banking</li> <li>• Investment banking</li> <li>• Law</li> <li>• Information Technology</li> <li>• Hardware and software</li> </ul> |

### **Audit and Risk Committee**

The Board has an Audit and Risk Committee, which has three members, all of whom are independent Non-Executive Directors. The Committee is chaired by an independent Non-Executive Director who is not the chair of the Board.

Under its Charter, the Audit and Risk Committee is required to review at least annually the effectiveness of the Company's risk management and internal control systems. The Audit and Risk Committee undertakes a review as part of the annual audit program. In addition, the Audit Committee addresses the risks of the business on an ongoing basis.

The Audit and Risk Committee Charter is available on the Company's website. The Charter was adopted in August 2015 and last reviewed on 23<sup>rd</sup> August 2016

The relevant qualifications and experience of the members of the Committee are set out in the Directors' Resumes section of the Annual Report.

The number of times the Committee met during the financial year and the individual attendances of the members at those meetings is contained in the Directors' Report section of the Annual Report.

### **Remuneration and Nomination Committee**

The Board has a Remuneration and Nominations Committee, which has three members, all of whom are independent Non-Executive Directors. The Committee is chaired by an independent Non-Executive Director.

The Remuneration and Nominations Committee Charter is available on the Company's website. The Charter was adopted in August 2015. This Charter was last reviewed on 23<sup>rd</sup> August 2016

The relevant qualifications and experience of the members of the Committee is contained in the Directors' Resumes section of the Annual Report.

The number of times the Committee met during the financial year and the individual attendances of the members at those meetings are set out in the Directors' Report section of the Annual Report.

### **Risk**

The Company's exposure to economic, environmental and social sustainability risks, together with the Company's approach to managing those risks, is outlined in the Operating and Financial Review section of its Annual Report.

### **Internal audit**

The Company does not have an internal audit function, and due to its size and current activities the Board does not believe one is warranted at this time.

The management prepares and presents to the Audit & Risk Committee a Risk Register addressing internal audit matters. The management undertakes self-assessment and review of risk areas on an ongoing basis.

The Board works closely with the management team to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Audit and Risk Committee actively encourages the external auditor to raise internal control issues, and oversees management's reviews to ensure the management and improvement of processes within the business.

### **External Auditor**

The Company's external auditor, attends the Annual General Meeting (AGM) and a representative is available to answer questions from shareholders relevant to the audit at the AGM. The auditors independence declaration is contained in the Directors' Report section of the Annual Report.

### **Management**

The Company has a process for periodically evaluating the performance of senior management. Under the Board Policy, the Board must conduct an annual performance review of management. This is outlined in Remuneration Report section of the Annual Report.

## **Remuneration**

The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives are disclosed in the Company's Remuneration Report.

Employees are eligible to participate in the Company's Employee Share Option Plan ("ESOP") subject to its terms and conditions. The Company does not have a formal policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Company periodically reviews the amount and allocation of remuneration amounts every six months to ensure that the amounts reflect market rates.

## **CEO and CFO declaration**

Before it approves the Company's half and full year financial statements, the must Board receive a statement from its CEO and CFO that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

## **Company Secretary**

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

## **Code of Conduct**

The Company is committed not only to complying with its legal obligations, but also to acting ethically and responsibly. The Company expects a high level of honesty, care, fair dealing and integrity in the conduct of all business activities.

The Company has a Code of Conduct which sets the minimum standards of conduct expected of all Directors, officers, executives, employees and contractors of the Company. The Code of Conduct is available on the Company's website.

## **Diversity Policy**

The Company is committed to ensuring an inclusive workplace that encourages and embraces diversity. The Company has a Diversity Policy which provides a framework for the Company to achieve workplace diversity and includes requirements for the Board to set measurable objectives. The Diversity Policy is available on the Company's website.

The current Board has not established measurable targets for achieving gender diversity across the Company. The Board has chosen to defer the establishment of the measurable targets until the Company is of a sufficient size and structure to necessitate these targets. The respective proportions of men and women on the Board, in senior executive positions and across the Company are as below:

|                           | Men | Women |
|---------------------------|-----|-------|
| <b>Board</b>              | 4   | 1     |
| <b>Senior executive*</b>  | 4   | 1     |
| <b>Across the Company</b> | 76  | 25    |

\* Direct reporting line to the CEO

### **Continuous disclosure**

The Company must comply with continuous disclosure requirements arising from legislation and the ASX Listing Rules. The Company has in place a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules. The Continuous Disclosure Policy is available on the Company's website.

### **Shareholder communication**

The Company is committed to regularly communicating with its shareholders in a timely and accessible manner, and to encouraging shareholder participation at its general meetings.

The Company provides information about itself and its corporate governance to investors via its website. Shareholders also have the option to receive communications from, and send communications to, the Company and its share registry electronically.

The Company also has an investor relations program to encourage effective two-way communication with investors. The Board encourages full participation of shareholders at the Annual General Meeting in order to promote a high level of accountability and discussion of the Group's strategy and goals.

Not only should all relevant information be provided, but the Company considers the information must be presented in a clear and concise format.

The Company's Shareholder Communications Policy sets out the processes by which the Company strives to ensure that shareholders are provided with appropriate information and facilities to allow them to exercise their rights effectively. The Policy was adopted in 2015 and is available on the Company's website.