

# Corporate governance statement

This document discloses the extent to which Engage:BDR Ltd ACN 621 160 585 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 29 March 2018 and has been approved by the board of the Company. A link to the Company's Corporate Governance Charter is located at the following link: [www.engagebdr.com/investors](http://www.engagebdr.com/investors)

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Yes</p> <p>Yes</p>	<p>The Company's Corporate Governance Policies include a Board Charter which discloses the specific responsibilities of the Board and management.</p> <p>The Board monitors the performance of senior management including measuring actual performance against planned performance.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>Yes</p>	<p>The Board undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director, and Information is included in the Company's Notice of meetings to shareholders.</p>
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Yes</p>	<p>Each director and senior executive is required to enter into a written agreement with the Company which sets out the terms of their appointment. Details of executive contracts in place are also detailed in the Company's Annual Remuneration Report in the 2017 Annual Report.</p>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Yes</p>	<p>The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION												
<b>Principle 1: Lay solid foundations for management and oversight</b>														
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary or it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) the entity’s “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act 2012.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>Refer to the Company’s Diversity Policy for further detail which is located on the Company’s website at the following link: <a href="http://engagebdr.com/diversity-policy/">http://engagebdr.com/diversity-policy/</a></p> <p>The proportion of women on the board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:</p> <table border="1" data-bbox="1317 587 1962 778"> <thead> <tr> <th></th> <th>Board</th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>No of women</td> <td>0</td> <td>1</td> <td>10</td> </tr> <tr> <td>% women</td> <td>0</td> <td>4.5%</td> <td>45%</td> </tr> </tbody> </table>		Board	Senior executive positions	Whole organisation	No of women	0	1	10	% women	0	4.5%	45%
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<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer to the Company’s Board Charter for further detail which is located on the Company’s website at the following link: <a href="http://engagebdr.com/board-charter/">http://engagebdr.com/board-charter/</a></p> <p>Performance evaluations for individual directors, the Board and the performance of its committees are generally conducted during the reporting period ending 31 December 2017 however due to recent Board changes a review was not undertaken. This review will be completed annually going forward.</p>												

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<b>Principle 1: Lay solid foundations for management and oversight</b>		
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer to the Company's Board Charter for further detail which is located on the Company's website at the following link:</p> <p><a href="http://engagebdr.com/board-charter/">http://engagebdr.com/board-charter/</a></p>
<b>Principle 2: Structure the board to add value</b>		
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>No</p> <p>Yes</p> <p>Yes</p>	<p>Given the size of Company and its Board, there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the determining the need for, screening and appointment of new Directors.</p> <p>Refer to the Company's Nomination and Remuneration Policy on the Company's website at the following link:</p> <p><a href="http://engagebdr.com/nomination-and-remuneration-policy/">http://engagebdr.com/nomination-and-remuneration-policy/</a></p> <p>Refer to the Company's 2017 Annual Report for further information.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 2: Structure the board to add value</b>		
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	<p>Given the size of the Board, a formal board skills matrix has not been adopted. However, the current Board of Directors bring an expansive range of relevant industry experience, legal and other skills and experience in order to meet the Company's objectives.</p> <p>Details of the skills, expertise and experience of each director are provided in the Company's Director's Report in the 2017 Annual Report.</p>
<p><b>Recommendation 2.3</b></p> <p><b>A listed entity should disclose:</b></p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Yes</p> <p>N/A</p> <p>Yes</p>	<p>The Board has three independent Directors, being Tom Anderson, Bruce McMenamin and Ron Phillips.</p> <p>The Board considers each non-executive director to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by these non-executive directors and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that they are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> <li>• Tom Anderson (since August 2017)</li> <li>• Bruce McMenamin (since August 2017)</li> <li>• Ron Phillips (since August 2017)</li> <li>• Ted Dhanik* (since August 2017)</li> <li>• Kurtis Rintala* (since August 2017)</li> </ul> <p>* Both Ted and Kurtis have been Directors of Engage BDR LLC since 2008.</p>

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<i><b>Principle 2: Structure the board to add value</b></i>		
<b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.	Yes	As noted above in Recommendation 2.3, the Board comprises of three non-executive independent directors out of a total five directors.
<b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	Mr Dhanik is the Chairman and CEO of the Company. The Board recognises that it is desirable for the chair of the Board should be an independent director, however the Company's current size dictates that this is the most efficient mode of operation at the time.
<b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Yes	The Company reviews its induction program for new Directors annually and ensures that ongoing training is available to Directors. Each Director has the right to access independent professional advice in order to properly perform their duties.
<i><b>Principle 3: Act ethically and responsibly</b></i>		
<b>Recommendation 3.1</b> A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes  Yes	The Company has a code of conduct for its directors, senior executives and employees. The Company's code of conduct policy is on the website at the following link: <a href="http://engagebdr.com/code-of-conduct/">http://engagebdr.com/code-of-conduct/</a>



PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<b>Recommendation 4.3</b> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company's external auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders that are relevant to the audit.
<b>Principle 5: Make timely and balanced disclosure</b>		
<b>Recommendation 5.1</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	Yes Yes	Refer to the Company's Continuous Disclosure Policy for further detail which is located on the Company's website at the following link: <a href="http://engagebdr.com/communication-and-disclosure-policy/">http://engagebdr.com/communication-and-disclosure-policy/</a>
<b>Principle 6: Respect the rights of security holders</b>		
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Refer to the Company's website at the following link: <a href="http://engagebdr.com">http://engagebdr.com</a>
<b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company provides shareholders with information through the Company's share registry, ASX platform, shareholder meetings, the Company's website and issuing media releases.  The Company provides a facility for written communications by shareholders through the Company's website and through personnel based at the Company's office.
<b>Recommendation 6.3</b> A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	This is disclosed in the Company's Notice of Meetings when dispatched to shareholders.  Shareholders are entitled to vote on significant matters impacting the business, which include the election and remuneration of directors and changes to the constitution. The Board actively encourages shareholders to attend and participate at General Meetings of the Company, to lodge questions to be responded to by the Board and/or the CEO and to appoint proxies.

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<i>Principle 6: Respect the rights of security holders</i>		
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	This is implemented by the Company’s Share Registry.
<i>Principle 7: Recognise and manage risk</i>		
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity’s risk management framework.</p>	<p>Yes</p> <p>N/A</p>	<p>Refer to the Company’s Audit and Risk Charter for further detail which is located on the Company’s website at the following link:</p> <p><a href="http://engagebdr.com/audit-and-risk-committee-charter/">http://engagebdr.com/audit-and-risk-committee-charter/</a></p>



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<b>Principle 7: Recognise and manage risk</b>		
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p> <p>Yes</p>	<p>The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:</p> <ul style="list-style-type: none"> <li>(i) identifying, assessing, monitoring and managing risk; and</li> <li>(ii) disclosing any material change to the Company’s risk profile.</li> </ul> <p>An assessment of the Company’s risk management framework is undertaken and reviewed by the Board, covering all aspects of the business from operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly.</p> <p>The Company intends to disclose the matters contemplated by ASX Recommendation 7.2 in future Annual Reports.</p> <p>Refer to the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p><a href="http://engagebdr.com/board-charter/">http://engagebdr.com/board-charter/</a></p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>No</p> <p>Yes</p>	<p>Given the current size of the Company the Board directly oversees relevant risk areas as a whole and not through a separate internal audit function.</p> <p>For further detail refer to the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p><a href="http://engagebdr.com/board-charter/">http://engagebdr.com/board-charter/</a></p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Board is not aware of any material exposure to economic, environmental or social sustainability risk to which the Company may be subject.</p> <p>The Company details the associated risks in its Director’s Report in the Company’s 2017 Annual Report.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 8: Remunerate fairly and responsibly</b>		
<b>Recommendation 8.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a remuneration committee which:               <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:                   <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul>	<p>No</p> <p>Yes</p>	<p>Given the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration of directors and senior executives and review of policies applicable to the Company.</p> <p>For further detail refer to the Company's Nomination and Remuneration Committee Charter which is located on the Company's website at the following link:</p> <p><a href="http://engagebdr.com/nomination-and-remuneration-policy/">http://engagebdr.com/nomination-and-remuneration-policy/</a></p> <p>The Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.</p> <p>The Company intends to disclose the matters contemplated by Recommendation 8.1(b) in future Annual Reports.</p>
<b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>Yes</p>	<p>Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) and senior executives is disclosed in the Company's Annual Report, as lodged with the ASX and issued to shareholders.</p>
<b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should: <ul style="list-style-type: none"> <li>(a) have a 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; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<p>No</p> <p>N/A</p>	<p>The Company does not have an equity based remuneration scheme in place.</p>