



## Corporate Governance Statement

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The Board of Engage:BDR Ltd ACN 621 160 585 (the **Company**) is responsible for the overall corporate governance of the Company. The Board believes that good corporate governance helps ensure the future success of the Company, adds value to stakeholders and enhances investor confidence.

The ASX Listing Rules require listed companies to prepare a statement disclosing the extent to which they have complied with the recommendations of the ASX Corporate Governance Council (**Recommendations**) during the reporting period. The Recommendations are not prescriptive, such that if a company considers a recommendation to be inappropriate having regard to its own circumstances, it has the flexibility not to follow it. Where a company has not followed all the Recommendations, it must identify which Recommendations have not been followed and provide reasons for not following them.

This Corporate Governance Statement (**Statement**) discloses the extent to which the Company has followed the Recommendations, or where appropriate, indicates a departure from the Recommendations with an explanation. This Statement should be read in conjunction with the material on our website [www.engagebdr.com](http://www.engagebdr.com), including the 2018 Annual Report.

This Statement is current as at 29 March 2019 and has been approved by the Board of Directors of Engage:BDR Ltd.

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

#### **Recommendation 1.1 - Role of the Board and Management**

The role of the Board is to provide overall strategic guidance and effective oversight of management.

The Board has a formal Primary Board Charter which is available on our website at [www.engagebdr.com](http://www.engagebdr.com).

The Primary Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's responsibilities, functions and composition, the role of the Company Secretary, the establishment, operation and management of Board Committees, details of the Board's performance review and details of the Board's disclosure policy.

The Board delegates responsibility for the day-to-day management of the Company and its business to the Chief Executive Officer (**CEO**). The CEO is supported by the senior executive team and delegates authority to appropriate senior executives for specific activities. The Board maintains ultimate responsibility for strategy, control and risk profile of the Group.

#### **Recommendation 1.2: Appointment of Directors**

The Company has guidelines for the appointment and selection of the Board which require the Nomination and Remuneration Committee and the Board to undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a Director.

We provide our shareholders with all material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.

### **Recommendation 1.3: Appointment Terms**

Each director and senior executive are party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. Details of executive contracts in place are detailed in the Company's Annual Remuneration Report in the 2018 Annual Report.

### **Recommendation 1.4: Company Secretary**

The Board is supported by the Company Secretary, whose role includes supporting the Board on governance matters, assisting the Board with meetings and directors' duties, and acting as an interface between the Board and senior executives across the Group. The Board and individual Directors have access to the Company Secretary.

Under the Company's governance framework, the Company Secretary is accountable to the Board, through the Chair, on all matters regarding the proper functioning of the Board. The Board is responsible for the appointment of the Company Secretary.

Details regarding our Company Secretary, including experience and qualifications, is set out in the Directors' Report in our 2018 Annual Report.

### **Recommendation 1.5: Diversity Policy**

The workforce of the Company comprises individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. The Company has implemented a Diversity Policy which can be viewed at [engagebdr.com](http://engagebdr.com), contained within the Company's supplementary policies. The Diversity Policy provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.

The Diversity Policy is available on the Company's website at [www.engagebdr.com](http://www.engagebdr.com), contained within the Company's supplementary policies.

The proportion of women on the Board, in senior executive positions and women across the entire organisation as at 31 December 2018 was as follows:

- Women on the Board – None
- Women in senior executive positions – None
- Women across the entire organisation – 28.5%

Due to the current size and composition of the organisation the Board does not consider it appropriate to provide measurable objectives in relation to gender. The Company is committed to ensuring that the appropriate mix of skills, expertise, and diversity are considered when employing staff at all levels of the organisation and when making new senior executive and Board appointments and is satisfied that the composition of employees, senior executives and members of the Board is appropriate.

**Recommendation 1.6: Board Performance Assessment**

The Board is committed to formally evaluating its performance, the performance of its committees (if applicable) and individual Directors, as well as the governance processes supporting the Board. The Board does this through an annual assessment process.

The review process involves:

- completion of a questionnaire/survey by each director, facilitated by the Company Secretary;
- the preparation and provision of a report to each director with feedback on the performance of the Board based on the survey results; and
- The Board meeting to discuss any areas and actions for improvement.

Refer to the Company's Board Charter for further detail which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com).

Performance evaluations for individual directors, the Board and the performance of its committees are generally conducted during the reporting period ending 31 December however due to recent Board changes a review was not undertaken. This review will be completed annually going forward.

**Recommendation 1.7: Senior Executive Performance Assessment**

Refer to the Company's Board Charter for further detail which is located on the Company's website at [engagebdr.com](http://engagebdr.com).

A review of the CEO's performance was not completed during the 2018 Calendar year and will be reviewed during 2019.

**PRINCIPLE 2 – BOARD STRUCTURE****Recommendation 2.1: Nomination Committee**

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.

Refer to the Company's Board Charter for further detail which is located on the Company's website at [engagebdr.com](http://engagebdr.com).

**Recommendation 2.2: Board Skills Matrix**

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.

Details of the skills, expertise and experience of each director are provided in the Company's Director's Report in the 2018 Annual Report.

**Recommendation 2.3: Independent Directors**

The Board has three non-executive independent Directors.

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.

The lengths of service are as follows:

- Ted Dhanik (since 17 August 2017) - Executive Chairman and Chief Executive Officer
- Thomas Anderson (since 17 August 2017) - Non-Executive Director
- Kurtis Rintala (since 17 August 2017) - Executive Director
- Darian Pizem (since 30 October 2018) - Non-Executive Director
- Robert Antulov (since 23 November 2018) - Non-Executive Director

A complete listing of the Board of Directors for the year ended 31 December 2018, is provided in the Company's Director's Report in the Company's 2018 Annual Report.

#### **Recommendation 2.4: Majority Independence**

As noted above in Recommendation 2.3, the Board comprises of three non-executive independent directors out of a total five directors.

#### **Recommendation 2.5: Board Chair**

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.

#### **Recommendation 2.6: Induction, Education and Training**

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.

### **PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

#### **Recommendation 3.1: Code of Conduct**

The Company has a code of conduct for its directors, senior executives and employees.

The Company's Code of Conduct can be found on our website at [engagebdr.com](http://engagebdr.com)

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

### **Recommendation 4.1: Audit Committee**

Given the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to audit. The Board believes that the Board itself is the appropriate forum to deal with this function.

Refer to the Company's Audit and Risk Committee Charter for further detail which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

The main responsibilities of the Audit Committee as assumed by the Board are outlined below:

- reviewing the annual, half year and other financial accounts distributed externally;
- assessing the corporate risk assessment processes;
- reviewing the Company's policies and procedures for compliance with accounting standards;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining auditor's independence;
- assessing the adequacy of the internal control framework; and
- monitoring the procedures to ensure compliance with Corporations Act 2001 and ASX Listing Rules and other regulatory requirements.

The Board reviews the performance of the external auditor on an annual basis and normally meets with them during the year. The Board is responsible for the selection and appointment of the external auditor.

### **Recommendation 4.2: Assurances**

The Chief Executive Officer and Chief Financial Officer have declared in writing to the Board that the financial records of the Company for the financial year have been properly maintained, the Company's financial reports for the Financial Year ended 31 December 2018 comply with accounting standards and present a true and fair view of the Company's financial condition and operational results.

### **Recommendation 4.3: External Auditor**

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.

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

### **Recommendation 5.1: Continuous Disclosure Policy**

Refer to the Company's Communication and Disclosure Policy for further detail which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

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

### **Recommendation 6.1: Information and Governance**

Refer to the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

### **Recommendation 6.2: Investor Relations**

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.

**Recommendation 6.3: Shareholder Meeting Participation**

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.

**Recommendation 6.4: Electronic Communication with Shareholders**

This is implemented by the Company's Share Registry.

**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

**Recommendation 7.1: Risk Committee**

Refer to the Company's Risk Management Charter for further detail which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

**Recommendation 7.2: Risk Management Framework**

The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:

- (i) identifying, assessing, monitoring and managing risk; and
- (ii) disclosing any material change to the Company's risk profile.

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.

The Company intends to disclose the matters contemplated by ASX Recommendation 7.2 in future Annual Reports.

Refer to the Company's Board Charter for detail which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

**Recommendation 7.3: Internal Audit**

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.

For further detail refer to the Company's Board Charter for further detail which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

#### **Recommendation 7.4: Economic, Environmental and Social Sustainability Risk**

The Board is not aware of any material exposure to economic, environmental or social sustainability risk to which the Company may be subject.

The Company details the associated risks in its Director's Report in the Company's 2018 Annual Report.

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

##### **Recommendation 8.1: Remuneration Committee**

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.

For further detail refer to the Company's Nomination and Remuneration Committee Charter which is located on the Company's website at [www.engagebdr.com](http://www.engagebdr.com)

The Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where necessary.

The Company intends to disclose the matters contemplated by Recommendation 8.1(b) in future Annual Reports.

##### **Recommendation 8.2: Remuneration Policies and Practices**

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.

##### **Recommendation 8.3: Equity Based Remuneration Scheme**

The Company does not have an equity-based remuneration scheme in place.