



**DomaCom Limited**

**Corporate Governance**

**30 June 2018**

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DomaCom Limited (DCL) is the holding Company of the companies that are comprised within the DomaCom Group. DomaCom Australia Limited (DCAL) holds the Australian Financial Services Licence (AFSL) and employs all staff in Australia, with the exception of those involved in information technology. DomaCom Platform Services Pty Ltd (DCPSL) is the entity that is responsible for holding all of the rights, title and interest to all of the Intellectual Property that supports the DomaCom Platform and the DomaCom Fund and in addition to the principal company. DomaCom Singapore Private Limited (DCSL) is the entity established to promote DomaCom products to accredited advisers licenced in Singapore.

The board of DCL (Board) comprises six directors, who collectively have a relevant interest in over 19.4% of the issued capital of the company. Two directors are also executives of the company. The Board is responsible for the overall management of the Company and of the DomaCom Group and is strongly focussed on serving the interests of all shareholders and having a legal obligation to put the interests of investors in the respective managed funds, ahead of their own, and those of DCL.

The Company Secretary is accountable directly to each board, through the chair, on all matters to do with the proper functioning of that board.

This statement, approved by the Board of DomaCom Group Limited on 22<sup>nd</sup> August 2018, outlines the main corporate governance practices in place throughout the 2018 financial year, which comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Guidelines), unless otherwise stated.

### **Board of Directors (Principles 1.1/1.2/1.3/1.6/1.7 and 2.1 to 2.6)**

The Board of Directors have extensive experience across local and overseas financial markets and the combined talent and skills base provides experience across Financial markets, including the various asset classes of equities, property and fixed interest. The Board also possesses strong expertise across managed investments, technology, distribution and corporate governance. Further details about each director are set out below:

#### **Grahame D Evans – Chairman and Independent Non-Executive Chairman**

Grahame has been extensively involved with the financial services industry for over 30 years.

He has held a variety of board positions including Chairman of Australian, Canadian, Singaporean & Chinese investment & advisory businesses and, also as a director of Malaysian and New Zealand companies. He is a regular speaker at conferences both in Australia and overseas and holds an MBA from the prestigious Australian Graduate School of Management, voted in the top 10 management schools in the Asian region. Grahame's executive roles have included CEO Investments for Tower Australia, Managing Director, AMP Consulting and Group Managing Director of Centrepoint Wealth. He is currently an executive director of GPS Wealth. Grahame has been a director since 23 February 2015.

#### **Arthur Naoumidis – Chief Executive Officer**

After 20 years as an IT consultant, Arthur spent 5 years at JB Were and BNP Paribas building and operating investment administration systems and businesses. Using the combined technology and investment administration background, Arthur founded the now ASX Listed Praemium (ASX:PPS). Arthur grew Praemium into a business with 500 client firms (accountants, financial planners, stockbrokers, SMSF administrators and institutions) in Australia administering over \$43 Billion as

well as partnering with Blackrock Australia to launch Australia's first online separately managed account (SMA) platform. As a result of listing Praemium on the ASX, Arthur took the Praemium SMA concept to the UK and successfully launched the SMA platform business of Praemium UK. Arthur is now taking some of the advanced equity concepts he pioneered in the equity markets during his Praemium days into a market that has been relatively untouched by technology and business process improvements – the property market. Arthur has been a director since 23 February 2015.

**David H Archbold – Independent Non-Executive Director**

David has over 45 years' experience in the property industry in Australia. Prior to the establishment of International Property Group Pty Limited in 1991, David was Executive Director - International, for Colliers Jardine and Executive General Manager of Hooker Corporation. For 17 years prior, he was Managing Director of Baillieu Knight Frank (SA) Pty Ltd, then Managing Director of Baillieu Knight Frank (NSW) and a Director/Partner of the Australian Company.

David has extensive experience in property consultancy throughout Australia and South East Asia with Corporate and large family owned businesses. David has been a director since 23 February 2015.

**Graeme A Billings – Independent Non-Executive Director**

Graeme has been a chartered accountant since 1980. He retired from PricewaterhouseCoopers in 2011 after 34 years where he was a senior partner in the Assurance practice. Graeme is a former head of the Melbourne Assurance practice as well as leading the Firm's Australian and Global Industrial Products businesses. He has extensive experience in providing assurance, governance, transaction and consulting services to multi-national and national companies in the automotive, manufacturing, consumer goods and construction industries. Graeme was also a regular media commentator on the Industrial Products sector. Graeme is now an advisor to various companies as well as acting as a non-executive director for several public and private companies in the financial services, manufacturing, retail and construction sectors. Graeme has been a director since 23 February 2015.

**Peter C Church OAM – Independent Non-Executive Director**

Peter Church OAM FAICD is a lawyer and corporate adviser who has spent much of his career in South East Asia and India where he advises a wide range of clients. He has written a number of books on the region and is an Adjunct Professor in the Business School of Curtin University. He was awarded the Medal of the Order of Australia (OAM) in 1994 by the Australian Government for the promotion of business relations between Australian and South East Asia. He is also a Fellow of the Australian Institute of Company Directors (FAICD). His current appointments include Executive Chairman of AFG Venture Group, Special Counsel to the English law firm, Stephenson Harwood, Non-Executive Director of OM Holdings Limited (ASX) and Elara Capital PLC. Peter has been a director since 26 August 2015.

**Ross A Laidlaw – Executive Director**

Ross has spent 30 years in Financial Services and, has deep and expansive experience within markets in Australasia, Europe and America. His strength lies in the development of start-up or green field developments and driving them into fully fledged and profitable businesses. Ross was CEO of the successful Skandia Platform for over 7 years, developing it into a leading Platform that was well supported by independent financial advisers and had achieved over \$5 billion in Funds under Management Ross has held several directorships including the Australian businesses, Skandia's joint

venture in Mainland China, Skandia's Fund Management Company in Ireland and American Skandia's Broker Dealer group. Ross is qualified Chartered Accountant, Fellow of the Financial Services Institute of Australasia, holds Diploma in Applied Finance and Financial Planning and his key role at DomaCom is as Chief Operating Officer. Ross has been a director since 23 February 2015.

**Philip JR Chard – Chief Financial Officer, Company Secretary** Philip has over 20 years of experience in the financial services industry. As a senior manager at Deloitte he provided assurance and advisory services within the funds management and investment banking sectors. Subsequently he has held a broad range of financial control and reporting positions within the property, funds management and banking sectors. He has a strong understanding of the requirements of highly regulated industries and the reporting obligations of listed companies. He has a proven track record of designing and implementing robust internal control and reporting systems.

### **Corporate governance**

The Board of DomaCom has adopted the following Corporate Governance policies and practices which are in accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (3rd Edition)" (ASX Guidelines) unless otherwise stated.

The ASX Corporate Governance Council (the "Council") is currently consulting on proposals to update and issue a 4th Edition of its Corporate Governance Principles and Recommendations (the "Principles and Recommendations"). The Council will consider all submissions it receives in response to this consultation before finalising the fourth edition of the Principles and Recommendations.

The Council envisages that the final version of the fourth edition will be released in early 2019 and will take effect for an entity's first full financial year commencing on or after 1 July 2019.

### **Role and responsibility of the Board (Principle 1.1)**

The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget). The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, 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.

- The Board is responsible for the strategic direction of the company.
- The Board reviews and approves the company's proposed strategy. The objectives of the Company are clearly documented in a long term corporate strategy and an annual business plan together with achievable and measurable targets and milestones.
- The Board approves budgets and other performance indicators and reviews performance against them and initiates corrective action when required.

- The Board ensures that risks facing the Company have been identified, assessed and that the risks are being properly managed.
- The Board ensures that policies on key issues are in place and are appropriate. The Board also reviews compliance with policies.
- The Board adopts the most effective structure that best assists the governance process. The selection of Directors is based on obtaining the most relevant and required skills, while also recognising the need to have a diversity of skills and experience on the Board.
- The Board approves and fosters an appropriate corporate culture matched to the company's values and strategies.
- The Board appoints the Managing Director and evaluates his or her ongoing performance against predetermined criteria. (Principle 1.6)
- The Board approves remuneration for the Managing Director and remuneration policy and succession plans for the Managing Director and senior management. (Principle 1.6)

### **Board Charter (Principle 1.1)**

A Board charter prepared having regard to the ASX Corporate Governance Principles and Recommendations, has been adopted by the Board and covers the independence of directors, the Board's responsibility for overall governance of the Company, the Board members' roles, powers, and responsibilities. A copy of the Company's Board Charter is available on the Company's Website at: [www.domacom.com.au/investor-relations](http://www.domacom.com.au/investor-relations).

### **Board Committees (Principle 1.2)**

The Board has established 1 standing committee to facilitate and assist the Board in fulfilling its responsibilities. It may also establish other committees from time to time to assist in the discharge of its responsibilities.

### **Audit Committee (Principle 4.1)**

The Board has established a Board Audit Committee. The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to the external audit function, accounting policies, financial reporting, funding, financial risk management and certain compliance matters. The Committee has authority from the Board to review and investigate any matter within the scope of its Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters. The Committee must have at least three members, a majority of whom must be independent non-executive directors. At least one member of the Committee should have significant expertise in financial reporting, accounting or auditing. The Chairman of the Committee should act independently and must not be the Chairman of the Board.

The current Audit Committee members are:

- Graeme Billings - Chairperson and Independent Non-Executive Director
- David Archbold - Independent Non-Executive Director
- Peter Church - Independent Non-Executive Director

The Board has received declarations from the CEO and CFO that the financial records of the entity 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 entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. (Principle 4.2)

A copy of the Company's Audit Committee Charter is available on the Company's Website at: [www.domacom.com.au/investor-relations](http://www.domacom.com.au/investor-relations).

### **Remuneration and Nomination Committee (Principle 1.2/ 2.1/ 8.1-8.3)**

The Remuneration and Nomination Committee at present comprises of the full Board. The Board considers that at this stage assuming the duties of a Remuneration and Nomination Committee is appropriate in light of the Company's operations and size, and the size of the Board. All of the Directors believe that they will be able to, individually and collectively, analyse the issues before them objectively in the best interests of all shareholders and in accordance with their duties as Directors. The Board also addresses board succession issues and ensures that it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. The Board Charter outlines duties relating to Remuneration and Nomination, and is available on the Company website. The Company has established a long term incentive plan (LTIP) to assist in the motivation, reward and retention of executive directors and all other employees. The LTIP is designed to align participants' interests with the interests of Shareholders by providing participants an opportunity to receive shares through the granting of performance rights.

### **Terms of appointment (Principle 1.3 & 2.6)**

The Board has adopted a letter of appointment that contains the terms on which non-executive directors are to be appointed, including the basis upon which they will be indemnified by the Company. Non-Executive directors are entitled to take independent advice at the cost of the Company in relation to their role as members of the Board. In addition, an induction process for incoming directors is coordinated by the Company Secretary.

The Board receives regular updates at Board meetings, industry workshops, meetings with customers and site visits. These assist directors to keep up-to-date with relevant market and industry developments.

## Areas of Competence and skills of the Board of Directors (Principle 2.2)

Area	Competence	Total out of 6 directors*
Leadership	Business Leadership, public listed company experience	6
Business, Finance and Governance	Business strategy, competitive business analysis, corporate advisory, finance and accounting, governance, audit assurance and risk management	6
International	International business management	6
Market & Sales, Distribution	Financial service expertise	3
Technology	Product Development, product life cycle management	1
Real Estate	Domestic and International Property market analysis	1

\*This column represents the number of directors rated as being 'competent' or higher in respect of the relevant skill. Company Secretary (Principle 1.4)

## Company Secretary (Principle 1.4)

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX. All directors have direct access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board.

## Meeting of Directors (Principle 1.2)

Summary of Board of Director Meetings attended from 1 July 2017 to 30 June 2018

	Board of Directors		Audit Committee		Risk Management	
	Held	Attended	Held	Attended	Held	Attended
Mr David H Archbold	12	12	5	5	1	1
Mr Graeme A Billings	12	12	5	5	1	1
Mr Peter C Church	12	12	5	5	1	1
Mr Grahame D Evans	12	12	-	-	1	1
Mr Ross A Laidlaw	12	10	-	-	1	1
Mr Arthur Naoumidis	12	12	-	-	1	1

## Review of Board performance (Principle 1.6 & 1.7)

The Board at least annually reviews the performance of the Board. The evaluation includes a review of:

- the Board's membership and the charters of the Board and its committees (if any);

- Board processes and its committees' (if any) effectiveness in supporting the Board; and
- the performance of the Board and its committees (if any).

The performance of the Board was reviewed during the year ended 30 June 2018.

A review of each Director's performance is undertaken by the Chairman, after consultation with the other directors, prior to a director standing for re-election.

## **Policies**

The Company has adopted the following policies, each of which has been prepared or revised having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at [www.domacom.com.au/investor-relations](http://www.domacom.com.au/investor-relations).

### **Continuous Disclosure Policy (Principle 5.1)**

The Board has adopted a Continuous Disclosure Policy to ensure that it complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, which applies to all Directors, officers, employees and consultants of the Company. The Board has also delegated the authority to certain authorised spokespersons to manage the Company's compliance with its disclosure obligations and the Continuous Disclosure Policy.

### **Code of Conduct Policy (Principle 3.1)**

This policy sets out the standards of ethical behaviour that the Company expects from its Directors, Officers, and Employees. The Board has adopted a Code of Conduct of which sets out the way in which the Group seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Group and to act in compliance with all laws and regulations.

### **Communication Policy (Principle 6.1 to 6.4)**

This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders. The Company has informed shareholders of all major developments affecting the Group's state of affairs as follows:

- placing all relevant announcements made to the market on the Website after they have been released to ASX;
- publishing all corporate governance policies and charters adopted by the Board on the Company Website;
- releasing information provided to analysts or media during briefings to ASX and placing such information on the Company Website;
- encouraging attendance and participation of shareholders at general meetings to receive updates from the CEO and Chairman on the Group's performance, ask questions of the Board and the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report;
- providing investor feedback and encouraging they seek further information about the Company via the Company Website;
- Management or Directors being available to meet with shareholders from time to time upon request and respond to any enquiries they may make; and



- Investors being able to communicate with the Company’s registry electronically by emailing the registry or via the registry’s website.

### Diversity Policy (Principle 1.5)

The Diversity Policy sets out the Company’s objectives for achieving diversity amongst its Board, management and employees and aims:

- to articulate commitment to diversity within the Company at all levels (including employee level, senior executive level and Board level);
- to establish objectives and procedures which are designed to foster and promote diversity within the Company; and
- ensure a work environment is in place where people are treated fairly and with respect notwithstanding their gender, ethnicity, disability, age or educational experience.

The Board has set the following measurable objectives for achieving gender diversity:

- Increase gender diversity on the Board and senior executive positions and throughout the Group. The Company currently has 11% female representation across the entire group as at 30 June 2017. The objective will be to lift this percentage across the Company with the intention that 1/3 (33%) of the employees are female on a full or part time basis by 30 June 2020;
- Promote flexible work practices to provide managers and staff with the tools to tailor flexible work options that suit both the business and the individual’s personal requirements;
- Selection of new staff, the development, promotion and remuneration of staff based solely on their performance and capability; and
- Annually assess gender
- diversity performance against objectives set by Board.

The Company’s current performance against its diversity policy objectives is as follows:

Gender Representation	30-Jun-18		30-Jun-17	
	% Female	% Male	% Female	% Male
Non-Executive Directors	0%	100%	0%	100%
<b>Employees</b>				
Executive Directors	0%	100%	0%	100%
Managers	0%	100%	14%	86%
Staff	20%	80%	24%	76%
Total Employees	11%	89%	20%	80%

### **Risk Management Policy (Principle 7.1 to 7.4)**

This policy sets out how the Company evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

The Board is responsible for reviewing the Company's risk management framework, 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.

The Board at least annually reports on the effectiveness of the Company's risk management and internal control policies and practices. The Company does not currently have an internal audit function. The current structure for reviewing risks, controls and procedures within the Board is considered appropriate at the Company's current stage of growth and size.

The Board has reviewed the risk management framework during the financial year ended 30 June 2018. The Company monitors its exposure to all risks, including economic, environmental and social sustainability risks. Material business risks are described in the annual report, which also outlines the Company's activities, performance during the year, financial position and main business strategies.

### **Compliance with ASX Corporate Governance Principles and Recommendations**

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations.

A brief summary of the approach currently adopted by the Company is set out below:

The Company complies with all of the ASX Corporate Governance Principles and Recommendations including, as not specifically addressed above:

- That at each AGM, the external auditor attends and is available to answer questions from security holders relevant to the audit. (Principle 4.3)
- That shareholders have the option to receive communications from, and send communications to, the entity and its security registry electronically. (Principle 6.4)

except in relation to the following:

- Recommendation 2.1 (a) – the Board should establish a nomination committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 7.1 (a) – the Board should have a committee or committees to oversee risks comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 8.1(a) – the Board should establish a remuneration committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.

The Board has carefully considered its size and composition, together with the specialist knowledge of its directors, and formed the view that based on its current composition, it has the necessary skills and motivation to ensure that the Company performs strongly, and there is sufficient accountability in the structure of the Board, to ensure the outcomes and objectives sought by the ASX Guidelines are achieved. Having regard for the size of the DomaCom Group, the Board considered that incorporating the risk management and nomination and remuneration procedures into the function of the Board has been an appropriate way of addressing the accountability and efficiencies sought to be achieved by the ASX Guidelines.