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CORPORATE GOVERNANCE STATEMENT

In developing LandMark White's corporate governance policies, the board has been guided by the 'Corporate Governance Principles and Recommendations' published by the ASX Corporate Governance Council. This statement outlines the main corporate governance practices in place throughout the financial year, and the extent to which LandMark White follows the Best Practice Recommendation. Where the Company has not followed a recommendation, the recommendation is identified and the reasons are given for not following it.

1 Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value. The board is comprised of one independent and three non-independent directors.

To fulfil this role, the board is responsible for the overall corporate governance of the Consolidated Entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal controls, management information and risk management systems. It is also responsible for approving and monitoring financial and other reporting. Details of the board's charter are located on the Company's website.

The board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer (CEO) and senior executives. Responsibilities are delineated by formal authority delegations. The performance of senior executives is reviewed annually by the CEO. The performance of the CEO is reviewed annually by the Chairman.

2 Board Processes

To assist in the execution of its responsibilities, the board has established an Audit & Risk Committee and a Remuneration Committee. The committees have a written mandate and operating procedures, which are reviewed on a regular basis.

The board has elected not to establish a Nominations Committee (Best Practice Recommendation 2.4 as set by the ASX Corporate Governance Council) on the basis that it is only a relatively small board and the board is able to efficiently carry out the functions that would otherwise be delegated to the Nominations Committee.

The conditions of the appointments of non-executive directors are set in a letter of appointment including expectations of attendance at board meetings, appointments to other boards, procedures for dealing with conflicts of interest and availability of independent professional advice.

The full board currently holds at least six scheduled meetings each year.

Extraordinary meetings are held at such other times as may be necessary to address any specific significant matters that may arise.



The agenda for meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary. Standing items include the Chief Executive Officer's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance.

ASX Best Practice Recommendation 1.6 requires an entity to have a process for periodically evaluating the performance of the board, its committees and individual directors. The Board has not conducted such a performance evaluation but will evaluate whether such an evaluation will be conducted or whether it will be valuable given the size of the company and current composition of the Board.

3 Director and Executive Education

The Consolidated Entity has a process to inform new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Consolidated Entity concerning performance of directors. Directors also have the opportunity to visit Consolidated Entity facilities and meet with management to gain a better understanding of business operations.

The Consolidated Entity also has a process to educate new senior executives upon taking such positions. The induction process includes reviewing the Consolidated Entity's structure, strategy, operations, financial position and risk management policies. It also familiarises the individual with the respective rights, duties, responsibilities and roles of the individual and the Board.

4 Independent Professional Advice and Access to Company Information

Each director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Consolidated Entity's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

5 Composition of the Board

The names of directors of the Consolidated Entity in office at any time during or since the end of the financial year and the date they became a director are set out below;

Mr Glen J White – appointed 26 September 2002

Mr Bradley J Piltz – appointed 26 September 2002

Mr Frank Hardiman - appointed 21 March 2016

Mr Chris Coonan – appointed 17 November 2016

The composition of the board is determined using the following principles:

- a minimum of three directors, with a broad range of expertise, a majority of directors having extensive knowledge of the Consolidated Entity's industry, and those who do not, have extensive expertise in significant aspects of auditing and financial reporting or operational and financial management of a professional services organisation
- a majority of independent directors as per ASX Best Practice Recommendation 2.4

The current composition of the board no longer meets the second of these two principles. At the present time, the decision to refocus on the core valuation business has made this requirement not cost effective given the size of the organization.



The Chairman of the board of directors is non-executive and the only independent member of the board. ASX Best Practice Recommendation 2.2 is that the Chairperson of the board should be independent. Appropriate conflict of interest policies are in place to ensure material personal interests are disclosed. At the date of this report, the board is not comprised of a majority of independent directors. However given the size of the Board the Company believes the appointment of a non-executive chairman is sufficient to ensure adequate corporate governance.

- An independent director is a director who is not a member of management, known as a non-executive director, and who:
- holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than 5% of the voting shares of the Company
- has not within the last three years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment
- within the last three years has not been a principal or employee of a material* professional advisor or a material* consultant to the Company or another group member
- is not a material* supplier or client of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material* supplier or client
- has no material* contractual relationship with the Company or another group member other than as a director of the Company
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially* interfere with the director's ability to act in the best interests of the Company.
- the board considers, 'material', in this context, to be where any director-related business relationship has represented or is likely in future to represent the lesser of at least 10% of the relevant segment's or the director-related business's revenue. The board considered the nature of the relevant industries' competition, and the size and nature of each director related business relationship, in arriving at this threshold. The company secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the Board.

6 Audit & Risk Committee

The Audit & Risk Committee has a documented charter, approved by the board. All members should be independent non-executive directors. The Chairman of the Audit & Risk Committee should not be the Chairman of the board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Consolidated Entity. Given the size of the Board, it is no longer possible to meet either of these criteria.

The members of the Audit Committee are:

- Mr Frank Hardiman – Non-Independent and Non-Executive
- Mr Glen White - Non-Independent and Non-Executive
- Mr Brad Piltz - Non-Independent and Non-Executive

The Audit & Risk Committee only comprised three members. The external auditors, the Chief Executive Officer and Chief Financial Officer are invited to Audit & Risk Committee meetings at the discretion of the committee. The committee meet at least 2 times during the year and attendance is recorded in the Directors report. The Chief Executive Officer and the Chief Financial Officer declare in writing to the board that the Consolidated Entity's financial reports for the year present a true and fair view, in all material respects, of the Consolidated Entity's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually and is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.



The Audit & Risk Committee's charter is available on the Company's website. Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners is on the Company's website.

The responsibilities of the Audit Committee include reporting to the board on:

- reviewing the annual and half year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholder needs:
 - assessing management processes supporting external reporting
 - assessing corporate risk assessment processes
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor provides an annual declaration of independence as set out in APES 110 Code of Ethics for professional Accountants
- reviewing the nomination and performance of the external auditor
- establishing procedures for selecting, appointing, and if necessary, removing the external auditor
- assessing the adequacy of internal control framework and the Consolidated Entity's code of ethical standards
- monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions.

The Audit & Risk Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit plans, identifying any significant changes in structure, operations, and internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results;
- finalise half-year and annual reporting to:
 - review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made;
 - review the draft financial report and recommend board approval of the financial report;
- as required, to organise, review and report on any special reviews or investigations deemed necessary by the board.

7 Risk Management

7.1 Oversight of the risk management system

Management has established and implemented a fully comprehensive formal Risk Management System for assessing, monitoring and managing operational, financial reporting and compliance risks for the Consolidated Entity. The Chief Executive Officer and the Chief Financial Officer declare annually, in writing to the board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively in all material respects.



7.2 Risk management and compliance and control

The board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

Comprehensive practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size obtain prior board approval
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations
- business transactions are properly authorised and executed
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below)
- environmental regulation compliance (see below)

The Board and the Audit Committee review risk matters at each meeting. The company's risk management framework is reviewed at least annually and was reviewed during the 2014-15 financial year.

The company does not have an internal audit function because of its size. However the external auditors assess controls in place and provide recommendations to management. Furthermore a Risk Manager is employed to ensure proper risk management procedures are adhered to for valuations and that appropriate risk education occurs. There is also a Valuation Risk Management Leadership Team and a Valuation Risk Committee.

8 Financial Reporting

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly.

9 Ethical Standards

All directors, managers and employees are expected to observe the highest standards of corporate and individual integrity and objectivity, striving at all times to enhance the reputation and performance of the Consolidated Entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The board reviews the Directors' Code of Ethics and the Code of Conduct for Transactions in securities regularly and processes are in place to promote and communicate these policies. A formal code of conduct for employees has been given to all Directors and Employees.

10 Environmental, Social and Governance (ESG)

On 24 July 2015 LMW Group conducted a materiality assessment of environmental, social and governance (ESG) issues of potential importance to its business, directly and indirectly via its stakeholders. This was the first step in an ESG management process to ensure that LMW is effectively identifying and managing material ESG risks and can demonstrate this to its investors and customers. This materiality assessment process involved three steps:

1. Selection of a set of three stakeholder groups for whom the importance of the ESG issues would be assessed.
2. Development of an Issues Schedule comprising environmental, social and governance issues of potential importance to LMW, directly or indirectly via its stakeholders.
3. Assessment of each of the issues in the Issues Schedule for level of importance to LMW directly or to its stakeholders, predominantly its investors, customers and employees.

As an output of the process the company is delivering a corporate social responsibility policy. The policy will address employee attractiveness, being progressive in relation to green buildings as well as identifying ways to be industry shaping and community caring. The policy will set targets over the term of our business plan horizon to 2020.



11 Conflict of Interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Consolidated Entity.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of any director related entity transactions with the Consolidated Entity are set out in Note 29 to the financial statements.

12 Trading in General Company Securities by Directors and Employees

The Consolidated Entity has a share trading policy which has been disclosed to the ASX and which has been published on the company website. The key elements of the Code of Conduct for Transactions in Company Securities by Directors and Employees are:

- identification of those restricted from trading – directors and all staff may acquire shares in the Company, but are prohibited from dealing in Company shares;
 - during the five week period preceding the announcement of half-year and annual results to the Australian Securities Exchange (“ASX”);
 - whilst in possession of price sensitive information not yet released to the market;
- requiring details to be provided of intended trading in the Company’s shares and approval to be given;
- details may be required to be provided of the subsequent confirmation of the trade;
- identification of processes for unusual circumstances where discretion may be exercised in cases such as financial hardship.

The company does have an equity-based remuneration scheme. However it does not permit participants to enter into transactions (whether through derivatives or otherwise) which limit the economic risk of participating in the scheme.

13 Diversity Policy

The company has a diversity policy which has been published on the Consolidated Entity’s website. Whilst the Consolidated Entity would prefer its workforce to reflect the diversity of our population, as a microcap professional service organisation, it is limited to recruiting from the available talent pool. In our specialist area of property valuation and advisory services, this pool of qualified candidates does not currently reflect significant gender or other diversity. Until it does, setting a measurable diversity objective would not be meaningful or effective for the company. Therefore the Board has elected not to implement ASX Best Practice Recommendation 1.5 (c) which recommends the setting of such objectives. The company does not currently have any women on the Board or in senior executive positions. The company is a relevant employer under the Workplace Gender Equality Act.

14 Communication with Shareholders

The board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters on a timely basis that may have a material effect on the price of the Company’s securities, ensuring the matters are factual and expressed in a clear and factual way, notifying the ASX, posting them on the Company’s website, and issuing media releases. The Chief Executive Officer and Company Secretary are accountable for ensuring adherence to the Continuous Disclosure Policy.

Consistent with the Continuous Disclosure Policy, LandMark White is committed to communicating with shareholders in an effective and timely manner, so as to provide them with ready access to information relating to LandMark White. LandMark White maintains an extensive website (www.lmw.com.au). Shareholders are encouraged to attend and participate in general meetings of the Company. Shareholders are provided with details of any proposed meetings well in advance of the relevant dates. The external auditor will attend any Annual General Meeting and be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor’s report. Shareholders have the option to receive communications from, and send communications to the company and its share registry electronically.