



## **Corporate Governance Statement For the Year Ended 30 June 2017**

The objective of the Board of Tamawood Limited (“Tamawood”) is to create and deliver long term shareholder value through a range of diversified but interrelated activities around the home design, project management services and home contract construction.

Tamawood and its subsidiaries operate as a consolidated entity under a unified Board and management. As such, the Board’s corporate governance arrangements apply to all entities with the Group (“the Group”).

### **Principle 1: Lay solid foundations for management and oversight**

#### **Role of the Board and Management**

The Board of Directors is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight to management. The Board guides and monitors the business and affairs of the Group on behalf of the shareholders by whom they are elected and to whom they are accountable.

The roles and responsibilities of the Board (Board Charter), Board Committees and senior management have been established through Board approved Charters that are available in the Corporate Governance section of the website at [www.tamawood.com.au](http://www.tamawood.com.au).

To assist it in carrying out its responsibilities, the Board has established several standing Board Committees of its members. The Chairman of each Board Committee reports on any matters of substance at the next full Board Meeting. Membership of Board Committees and attendance at Board and Board Committee meetings is tabulated in the Directors’ Report in the Annual Report.

The Board Committees are:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee

Information on the Directors is contained in the Directors’ Report in the Annual Report.

#### **Company Secretaries**

The Company Secretaries are appointed and removed by the Board and are responsible for establishing and maintaining the appropriate support mechanisms to enable the Board to function effectively. The Company Secretaries are also responsible for ensuring the Board procedures are complied with and advising the Board on governance matters. All Directors have access to the Company Secretaries for advice and support services as required and are accountable to the Board through the Chairman.

### **Independent Advice**

Each Director and Board Committee has the right of access to relevant Group information and the executive management team. Directors may seek independent professional advice at the Group's expense with approval from all Directors at a Director's meeting. A copy of advice received by the Director is made available to all other members of the Board.

### **Diversity Policy**

The Board and senior management have established a group-wide diversity policy to reflect the Company's ongoing commitment to diversity. A copy of the Diversity Policy is available on the Company's website.

### **Principle 2: Structure the Board to add Value**

#### **Directors**

The Board of Tamawood presently comprises five Directors, two of whom are non-executive Directors, two are independent and the Managing Director.

The Board of Tamawood is satisfied that they do make decisions in the best interests of the shareholders despite there only being two independent Directors.

The diversity and skill set of the Board, as set out in the skills matrix, highlights the level of industry and commercial experience currently on the Board. The skills matrix of the Board is detailed in the Board Charter on the Company's website.

The current Directors of the Company are listed in the Directors' Report with a brief description of their qualifications, experience, special responsibilities and status.

#### **Chairman of the Board**

The Chairman of the Board is an independent non-executive Director.

#### **Nomination Committee**

The Board has a Nomination Committee, comprising three non-executive Directors, one whom is independent:

- Lev Mizikovsky (Chairman)
- Rade Dudurovic
- Robert Lynch

The Nomination Committee meet once during the year.

The Nomination Committee Charter sets out its role, responsibilities, composition, structure, membership requirements and guidelines and is posted on the Company's website.

### **Principle 3: Promote ethical and responsible decision-making**

#### **Code of conduct**

The Company has a Code of Conduct which sets out the behaviour required of all Board members, senior management, employees and contractors. The Code of Conduct is detailed on the website.

#### **Dealing in Tamawood Shares**

The Company's Securities Trading Policy, which can be found on our website, places restrictions on the ability of Directors, officers and employees to trade in the Company's shares whilst in the possession of price sensitive information that has not been made public.

#### **Ethical Standards**

The Board is committed to its core governance values of integrity, respect, trust and openness among and between Board members, management, employees, customers and suppliers.

### **Principle 4: Safeguard integrity in financial reporting**

#### **Audit Committee**

The Board has established an Audit Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Group.

The Audit Committee Charter sets out its role, responsibilities, composition, structure and membership requirements and is posted on the Corporate Governance section of the Company's website.

At least one member of the Audit Committee must have financial expertise (i.e. is a qualified accountant or other financial professional with expertise in financial and accounting matters).

The Audit Committee comprises three members. The Audit Committee is chaired by an independent Director, who is not the Chairman of the Board.

The members of the Audit Committee were:

- Rade Dudurovic (Chairman)
- Robert Lynch
- Andrew Thomas

The names and qualifications of those appointed to the Audit Committee and their attendance at meetings of the committee are included in the Director's Report.

The Audit Committee meets at least twice a year with the auditors. The Audit Committee met twice during the year.

### **External Auditors**

The Company and the Audit Committee policy is to engage auditors who clearly demonstrate independence.

The performance of the external auditors is reviewed annually. External auditors will be available to answer questions at the Annual General Meeting.

For the Year End Financial Report the Group Managing Director has provided:

- A written declaration regarding the integrity of the financial statements of Tamawood.
- Assurance that Tamawood's risk management and internal compliance and control systems are operating effectively in all material respects.

### **Principle 5: Make timely and balanced disclosure**

A continuous disclosure regime operates throughout the Group. Policies and Procedures are in place to ensure matters that a person could reasonably expect to have a material effect on the share price are announced to the ASX in a timely manner.

These policies and procedures have been formally communicated to all relevant staff. The Company Secretary is the nominated Continuous Disclosure Officer. The Board approves, or is advised of, all releases that are made to the ASX.

### **Principle 6: Respect the rights of shareholders**

The company has established a Shareholder Communication Policy which is detailed on its website.

The Company endeavours to keep its Shareholders informed by:

- Reports to the ASX and the press;
- Half and full year profit announcements;
- Annual Reports;
- Continuous disclosures to the ASX pursuant to the ASX Listing Rules; and

Shareholders can email the company through the Company Secretaries on [shareholderinfo@tamawood.com.au](mailto:shareholderinfo@tamawood.com.au) or contact the share registry on 1300 552 270.

### **Principle 7: Recognise and manage risk**

The Board has ultimate responsibility for risk management, compliance and control functions across the Group. These functions are aligned with the Company's business objectives. The Company has in place internal controls intended to identify and manage significant business risks.

The Board has established a Risk Management Committee to identify those areas of risk which are most likely to cause major disruption and damage to the business of the Group and to implement, with Board approval, plans and procedures which will mitigate any damage.



The Risk Management Committee comprises all the Directors of Tamawood. The Risk Management Committee met twice during the year.

Tamawood is certified under ISO 9001:2008 for its building systems and is audited externally annually to maintain its quality assurance certificate. Internal audits of their building systems are conducted twice every year.

### **Principle 8: Remunerate fairly and responsibly**

The Company intends to ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

The Board has established a Remuneration Committee to review and determine, among other things, remuneration policies and packages applicable to any Executive Directors, the Company Secretary and Senior Executives. The Committee's Charter is available on the Company's website. Details of the remuneration of Directors and key executives are set out in the Annual Report.

The Remuneration Committee consists of three non-executive Directors, two of whom are independent. The members of the remuneration committee were:

- Lev Mizikovsky (Chairman)
- Rade Dudurovic
- Robert Lynch

The Remuneration Committee met once during the year.