

Freedom Insurance Group Ltd ACN 608 717 728

Corporate Governance Statement (30 June 2019)

This corporate governance statement sets out Freedom Insurance Group Ltd's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations.

This corporate governance statement is current as at 30 June 2019 and has been approved by the board of the Company (**Board**).

#	ASX Principles and Recommendations	Comply (Yes/No)	Recommendation/Action
1	Lay Solid Foundations for Management and Oversight		
1.1	<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 Board is responsible for the corporate governance of the Company.</p> <p>The Board has adopted a Board Charter which outlines the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws. Pursuant to the Board Charter, the Board assumes responsibilities including, but not limited to the following:</p> <p>(a) considering and approving the strategy of the Company and its related companies (Group);</p> <p>(b) adopting an annual budget and monitoring financial performance including approving the annual and half year financial statements and reports;</p> <p>(c) approving major investments and monitoring the return on those investments;</p> <p>(d) monitoring the adequacy, appropriateness and operation of internal controls including reviewing and approving the Group's compliance systems and corporate governance principles;</p> <p>(e) providing continuous disclosure of information to the investment community, and making available information shareholders can reasonably require to make informed assessments of the Group's prospects;</p> <p>(f) reviewing and monitoring significant business risks and oversights and how they are managed;</p> <p>(g) monitoring the conduct of the relationship with key regulators to meet the Group's obligations;</p> <p>(h) determining delegations to committees, subsidiary boards and management and approving transactions in excess of delegated levels;</p> <p>(i) reviewing the performance of the chief executive officer of the Company (CEO) and each member of management, including succession planning for CEO and management;</p> <p>(j) assessing its own performance and that of individual directors of the Company (each a Director);</p> <p>(k) selecting and appointing new Directors;</p>

			<p>(l) considering, approving and endorsing major policies of the organisation; and</p> <p>(m) overseeing the implementation of appropriate work health and safety systems; and</p> <p>(n) protecting and overseeing the enhancement of the reputation of the Company.</p> <p>A copy of the Board Charter is available on the Company's website at the following URL: www.freedominsurance.com.au/investors/corporate-governance.html</p> <p>The Board has delegated specific authorities to the chairman of the Board (Chairman) and to its various board sub-committees (each a Committee). Subject to these delegated matters, the CEO is authorised to exercise all the powers of the Directors, except with respect to the following:</p> <p>(a) approval of major elements of strategy including any significant change in the direction of that strategy;</p> <p>(b) approvals above delegated levels of credit limits, risk exposures, market risk limits and loans and encumbrances;</p> <p>(c) capital expenditure in excess of delegated levels or expenditure outside the ordinary course of business;</p> <p>(d) certain remuneration matters including material changes to remuneration policies;</p> <p>(e) adoption of the Company's annual budget;</p> <p>(f) approval of the interim and final accounts;</p> <p>(g) specific matters in relation to continuous disclosure as defined in the Company's Continuous Disclosure Policy; and</p> <p>(h) other matters as the Board may determine from time to time.</p> <p>The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.</p> <p>The Company intends to regularly review the balance of responsibilities between the Board and management to ensure that the division of functions remains appropriate to the needs of the Company and the Group.</p>
1.2	<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 in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>Yes</p> <p>Yes</p>	<p>The Remuneration and Nomination Committee will identify and recommend Board member candidates to the Board. These recommendations will occur after considering the necessary and desirable competencies of new Board members, the range of and depth of skills and the diversity of the Board, and making appropriate checks regarding an individual being put forward.</p> <p>The Remuneration and Nomination Committee will also ensure that all material information in its possession relevant to a decision of whether to appoint or re-elect a Director is made available to security holders.</p> <p>A copy of the charter of the Remuneration and Nomination Committee is available on the Company's website at the following URL:</p>

			www.freedominsurance.com.au/investors/corporate-governance.html
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Directors are given letters of appointment and/or service agreements prior to their engagement by the Company.
1.4	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.	Yes	The Company has two joint company secretaries (each a Company Secretary). Each Company Secretary has been appointed by and is responsible to the Board through the Chairman. The Chairman and the Company Secretaries will co-ordinate the Board agenda.
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <ol style="list-style-type: none"> 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 if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Company has adopted a Diversity Policy which identifies gender diversity as a key area of focus for the Company. Each year, the Board will consider whether to set the measurable objectives to achieve positive diversity outcomes, including a balance representation of women in the Group's business. The Board is committed to assessing annually both the policy's objectives and its progress towards achieving the measurable objectives.</p> <p>A copy of the Diversity Policy is available on the Company's website at the following URL: www.freedominsurance.com.au/investors/corporate-governance.html</p> <p>The Company did not adopt any measurable objectives for the financial year ending 30 June 2019. Due to the current business position and small size of the Company, the application of a measurable gender diversity objective has not been of a priority.</p>
1.6	<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>The performance of the Board as a group and of individual Directors will be assessed each year. In particular, all Directors seeking re-election at an annual general meeting will be subject to a formal performance appraisal to determine whether the Board (with their absents themselves) recommends their re-election to shareholders.</p> <p>The Company did not undertake a formal performance appraisal of each Director during in the financial year ended 30 June 2019.</p>
1.7	<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>	N/A	The Company does not have any senior executives besides the Directors.

2	Structure the Board to Add Value										
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>1. has at least three members, a majority of whom are independent directors; and</p> <p>2. is chaired by an independent director', and disclose:</p> <p>3. the charter of the committee;</p> <p>4. the members of the committee; and</p> <p>5. 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, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>The Company has a Remuneration and Nomination Committee which has three members being:</p> <p>1. Pauline Vamos;</p> <p>2. Doug Halley; and</p> <p>3. James Green,</p> <p>each of whom are independent.</p> <p>The chair of the committee is James Green who is an independent Director and is not the Chairman of the Board.</p> <p>A copy of the Remuneration and Nomination Committee Charter is available on the Company's website at the following URL:</p> <p>www.freedominsurance.com.au/investors/corporate-governance.html</p> <p>During the financial year ended 30 June 2019, the Remuneration and Nomination Committee met twice.</p> <p>The individual attendances of the members at those meetings are as follows.</p> <table><tr><th>Member</th><th>Number of meetings attended</th></tr><tr><td>Pauline Vamos</td><td>2</td></tr><tr><td>Doug Halley</td><td>2</td></tr><tr><td>James Green</td><td>2</td></tr></table>	Member	Number of meetings attended	Pauline Vamos	2	Doug Halley	2	James Green	2
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2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>The Board strives to ensure that it is comprised of Directors with a blend of skills, experience and attributes appropriate for the Company and its business.</p> <p>A copy of the Board's skills matrix is available on the Company's website at the following URL:</p> <p>www.freedominsurance.com.au/investors/corporate-governance.html</p>								
2.3	<p>A listed entity should disclose:</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 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>Yes</p> <p>Yes</p>	<p>The Board has reviewed the position and associations of each of the three Directors and has determined that the following Directors are independent:</p> <p>1. Pauline Vamos;</p> <p>2. Doug Halley; and</p> <p>3. James Green.</p> <p>In making this determination the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate.</p> <p>The Company has disclosed the details of each Director (including their length of service) in its FY19 Annual Report.</p>								

2.4	A majority of the board of a listed entity should be independent directors.	Yes	As noted in section 2.3, the Board considers all three Directors to be independent Directors.
2.5	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.	Yes	The Company's current Chairman, Pauline Vamos is an independent director.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Each new Director of the Company will, upon appointment, participate in an induction program. This will include meeting with members of the existing Board, the joint Company Secretaries, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.
3	Act Ethically and Responsibly		
3.1	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 Board is committed to the establishment and maintenance of appropriate ethical standards in order to instil confidence in both clients and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business. A copy of the Code of Conduct is available on the Company's website at the following URL: https://www.freedominsurance.com.au/investors/corporate-governance.html
4	Safeguard Integrity in Corporate Reporting		
4.1	The board of a listed entity should: (a) have an audit committee which: 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board, and disclose: 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify	Yes Yes Yes Yes Yes N/A	The Company has a separately constituted Audit and Risk Committee which consists of three Directors being: 1. Pauline Vamos; 2. Doug Halley; and 3. James Green. All members of the Audit and Risk Committee are independent Directors. It is chaired by Doug Halley who is an independent Director and is not the Chairman of the Board. The Company has disclosed the relevant qualifications and experience of the members of the committee in the FY19 Annual Report. A copy of the charter of Audit and Risk Committee is available on the Company's website at the following URL: www.freedominsurance.com.au/investors/corporate-governance.html The charter outlines the key areas of responsibility for the committee, outlining its responsibility for oversight over potential risks which affect the Company. During the financial year ended 30 June 2019, the Audit and Risk Committee met a total of four times. The individual attendances of the members at those meetings are as follows.

	and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		<table><tr><th>Member</th><th>Number of meetings attended</th></tr><tr><td>Pauline Vamos</td><td>3</td></tr><tr><td>Doug Halley</td><td>1</td></tr><tr><td>James Green</td><td>1</td></tr></table> <p>It is noted that the Audit and Risk Committee met a total of three times since Pauline Vamos was appointed as a member and met one time since Doug Halley and James Green were appointed as members.</p>	Member	Number of meetings attended	Pauline Vamos	3	Doug Halley	1	James Green	1
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4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, 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.	Yes	The Company has received a declaration from its acting CFO that, in their opinion, the financial records have been properly maintained and comply with the proper standards.								
4.3	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	An external auditor will be present at the Company's annual general meeting and be available to answer questions from security holders relevant to the audit.								
5	Make Timely and Balanced Disclosure										
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes Yes	The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and compliance with the continuous disclosure requirements imposed by law including the Corporates Act and the ASX Listing Rules A copy of the Company's Continuous Disclosure Policy is available at the following URL: www.freedominsurance.com.au/investors/corporate-governance.html								
6	Respect the Rights of Security Holders										
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company provides all relevant information about itself and its governance to its investors on the Company's website at the following URL: www.freedominsurance.com.au/investors/corporate-governance.html The Company will update the website and its contents from time-to-time, as necessary.								
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company encourages shareholders to submit questions or request for information to ensure that all material information is communicated to its investors.								

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company has a formal shareholders' communications policy.								
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.								
7	Recognise and Manage Risk										
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>1. has at least three members, a majority of whom are independent directors; and</p> <p>2. is chaired by an independent director, and disclose:</p> <p>3. the charter of the committee;</p> <p>4. the members of the committee; and</p> <p>5. 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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Company has a separately constituted Audit and Risk Committee which consists of three Directors being:</p> <p>1. Pauline Vamos;</p> <p>2. Doug Halley; and</p> <p>3. James Green.</p> <p>All members of the Audit and Risk Committee are independent Directors.</p> <p>It is chaired by Doug Halley who is an independent Director and is not the Chairman of the Board.</p> <p>The Company has disclosed the relevant qualifications and experience of the members of the committee in the FY19 Annual Report.</p> <p>A copy of the charter of Audit and Risk Committee is available on the Company's website at the following URL:</p> <p>www.freedominsurance.com.au/investors/corporate-governance.html</p> <p>The charter outlines the key areas of responsibility for the committee, outlining its responsibility for oversight over potential risks which affect the Company.</p> <p>During the financial year ended 30 June 2019, the Audit and Risk Committee met a total of four times.</p> <p>The individual attendances of the members at those meetings are as follows.</p> <table><tr><th>Member</th><th>Number of meetings attended</th></tr><tr><td>Pauline Vamos</td><td>3</td></tr><tr><td>Doug Halley</td><td>1</td></tr><tr><td>James Green</td><td>1</td></tr></table> <p>It is noted that the Audit and Risk Committee met a total of three times since Pauline Vamos was appointed as a member and met one time since Doug Halley and James Green were appointed as members.</p>	Member	Number of meetings attended	Pauline Vamos	3	Doug Halley	1	James Green	1
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7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p>		<p>The Board annually reviews and approves the risk framework of the Company.</p> <p>The Company undertook a formal performance appraisal of the Company's risk management framework during the reporting period.</p>								

	(b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	
		Yes	
7.3	<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>	No	<p>The Company does not have an internal audit function, due to its current size and business stage. Nonetheless, the Company remains committed to effective management and control of these factors. The Audit and Risk Committee is responsible for considering and reviewing, with the external auditor:</p> <p>(a) the adequacy of the Company's internal controls in the context of the external audit work undertaken;</p> <p>(b) the adequacy of the Company's financial regulatory reporting to corporate regulators as appropriate, including its view on the quality and acceptability of the Company's accounting principles and policies; and</p> <p>(c) any related significant findings and recommendations of the external auditor and management's response thereto.</p> <p>The Audit and Risk Committee is also responsible for considering and reviewing with management and the CFO:</p> <p>(a) any matters that might have a significant impact on the financial condition or affairs of the Company;</p> <p>(b) the adequacy of the process for reporting and responding to significant control weaknesses including the adequacy and results of management's investigation and follow up and whether there are unresolved issues as reported by the external auditor;</p> <p>(c) the adequacy of the Company's internal controls;</p> <p>(d) any difficulties encountered in the course of reviews, including any restrictions on the scope of the work or access to required information;</p> <p>(e) any instances of significant internal and external fraudulent activity identified and responses thereto; and</p> <p>(f) the findings of any auditor observations.</p> <p>Further, the Audit and Risk Committee is responsible for:</p> <p>(a) reviewing any other reports the Company issues that relate to Committee responsibilities; and</p>

			(b) meeting privately with the CFO and external auditors at least annually in separate sessions to discuss any matters that the Committee or these parties believe should be discussed privately with the Committee.								
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Material exposure to economic, environmental and social sustainability risks will be announced to the market, in accordance with the requirements of the ASX Listing Rules.								
8	Remunerate Fairly and Responsibly										
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none">has at least three members, a majority of whom are independent directors; andis chaired by an independent director, and disclose:the charter of the committee;the members of the committee; andas 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>(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.</p>	Yes	<p>The Company has a Remuneration and Nomination Committee which has three members being:</p> <ol style="list-style-type: none">Pauline Vamos;Doug Halley; andJames Green, <p>each of whom are independent.</p> <p>The chair of the committee is James Green who is an independent Director and is not the Chairman of the Board.</p> <p>A copy of the Remuneration and Nomination Committee Charter is available on the Company's website at the following URL:</p> <p>www.freedominsurance.com.au/investors/corporate-governance.html</p> <p>During the financial year ended 30 June 2019, the Remuneration and Nomination Committee met twice.</p> <p>The individual attendances of the members at those meetings are as follows.</p> <table><tr><th>Member</th><th>Number of meetings attended</th></tr><tr><td>Pauline Vamos</td><td>2</td></tr><tr><td>Doug Halley</td><td>2</td></tr><tr><td>James Green</td><td>2</td></tr></table>	Member	Number of meetings attended	Pauline Vamos	2	Doug Halley	2	James Green	2
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8.2	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.	Yes	The Company disclosed its remuneration policy in the FY19 Annual Report.								

8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has a Securities Trading Policy that prohibits directors, offices and employees from entering into transactions or arrangements which limits the economic risk of participating in unvested entitlements under any equity based remuneration scheme.</p> <p>A copy of the Securities Trading Policy is available on the Company's website at the following URL: www.freedominsurance.com.au/investors/corporate-governance.html.</p>
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