

Corporate Governance Statement

LiveTiles Limited (ACN 066 139 991)

This Statement sets out LiveTiles Limited's (**Company**) compliance with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company is required to provide this statement disclosing the extent to which it has followed the recommendations contained in the ASX Principles and Recommendations. This corporate governance statement is current as at the time of readmission to the official list of the ASX and has been approved by the board of the Company (**Board**).

ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
<p>1.1 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>As part of the Corporate Governance Plan adopted by the Company on 1 July 2015, a Board Charter was adopted by the Company's board of directors (Board). The Board Charter notes that the Board will be responsible for the corporate governance of the Company. The Board will develop strategies for the Company, review strategic objectives and monitor performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> (a) maintain and increase Shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. <p>Consistent with these goals, the Board will assume the following responsibilities:</p> <ul style="list-style-type: none"> (a) developing initiatives for profit and/or asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the Shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. <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>It is expected that the division of responsibility of the Board and senior executives will vary with the evolution of the Company. The Company intends to regularly review the balance of the responsibilities to</p>

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		ensure that the division of functions remains appropriate to the needs of the Company.
<p>1.2 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 Board will identify and recommend candidates for election as a director. 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.</p> <p>The Boards will 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>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Yes</p>	<p>Directors will be required to sign letters of appointment and/or service agreements, and senior executives are required to sign employment contracts prior to their engagement with the Company.</p>
<p>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.</p>	<p>Yes</p>	<p>The Company Secretary has been appointed by and will be responsible to the Board through the Chairman. The Chairman and the Company Secretary will co-ordinate the Board's agenda.</p>
<p>1.5 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> <p style="padding-left: 20px;">a. the respective proportions of men and women on the board, in senior executive positions and across the whole organization</p>	<p>Yes</p> <p>No</p> <p>Yes</p>	<p>The Company has adopted a diversity policy . The diversity policy 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. The diversity policy will be disclosed on the Company's website shortly after readmission. The Company will disclose the measurable objectives at the end of the reporting period.</p>

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<p>(including how the entity has defined “senior executive” for these purposes); or</p> <p>b. 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>		
<p>1.6 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>No</p> <p>No</p>	<p>The Board Charter discloses the processes for the periodic evaluation of the performance of board members.</p> <p>The total maximum remuneration of non-executive directors is currently set at \$300,000. Any increases will be the subject of a shareholder resolution in accordance with clause 13.7 of the Company’s constitution (Constitution), the <i>Corporations Act 2001</i> (Cth) (Corporations Act) and the ASX Listing Rules, as applicable. The determination of non-executive directors’ remuneration within that maximum amount will be made by the Board, having regard to the input and value to the Company of the respective contributions by each non-executive directors.</p> <p>The Board may award additional remuneration to executive directors called upon to perform executive services or make special exertions on behalf of the Company.</p>
<p>1.7 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>	<p>Yes</p> <p>Yes</p>	<p>The processes for evaluation of performance of senior executives are located in the Nomination Committee Charter.</p> <p>The Nomination Committee (or if this is not established, the Board) will perform this evaluation according to the processes in the Nomination Committee Charter.</p>
<p>2 Structure the board to add value</p>		
<p>2.1 The board of a listed entity should:</p> <p>a) establish a nomination committee which:</p> <p>a. has at least three</p>	<p>No</p>	<p>The Company has adopted a Nomination Committee Charter which sets out the procedures for the identification, appointment and review of Board</p>

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<p>members, a majority of whom are independent directors; and</p> <p>b. is chaired by an independent director;</p> <p>and disclose:</p> <p>c. the charter of the committee;</p> <p>d. the members of the committee; and</p> <p>e. 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 meeting; or</p> <p>b) If it does not have a nomination committee, disclose that fact and 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>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p>	<p>membership.</p> <p>Pursuant to the Corporate Governance Plan and adoption of the Nomination Committee Charter, following readmission, the Board will consider the establishment of a Nomination Committee.</p> <p>Until such time as the Nomination Committee is established, the Board will follow the processes and procedures as set out in the Nomination Committee Charter.</p>
<p>2.2 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 its membership.</p>	<p>No</p>	<p>The Board is committed to ensuring that it is comprised of directors with a blend of skills, experience and attributes appropriate for the Company and its business. The Nomination Committee Charter provides that the Nomination Committee (once formed) will be responsible for preparing and maintaining the board skills matrix.</p>

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<p>2.3 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 why the board is of that opinion; and</p> <p>c) the length of service of each director.</p>	<p>Yes</p> <p>N/A</p> <p>Yes</p>	<p>The Board has reviewed the position and associations of each of the four directors at the time of readmission and has determined that none of the directors are independent.</p> <p>The Board has determined that it would be too onerous for the Company to have independent directors on the Board given the size and stage of development of the Company. The Company will continually evaluate whether it will be appropriate to consider independent directors as the business evolves and expands. The length of service (appointment dates) will be disclosed in the Company's 2015 Annual Report.</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>No</p>	<p>The Board has reviewed the position and associations of each of the four directors at the time of readmission and has determined that none of the directors are independent. Two of the directors, Andrew Gray and Philip Kapp, are non-executive. In making this determination, the Board has had regard to the independence criteria in ASX Principle 2 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 Board will strive to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate for the Company and its business. The principal criterion for the appointment of new directors is their ability to add value to the Company and its business.</p>
<p>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.</p>	<p>No</p>	<p>The Board's executive chairman at the time of readmission, Mr Michael Hill, does not satisfy the ASX Principles and Recommendations' definition of an independent director. However, the Board considers Mr Hill's role as executive chairman essential to the success of the Company at this stage of the development of the business.</p>
<p>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</p>	<p>No</p>	<p>Given the Company's size, the Company does not propose have a formal program for inducting new directors and providing professional development opportunities at the time of readmission. The Nomination Committee, once formed at a time that is</p>

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perform their role as directors effectively.		appropriate given the nature and scale of the company's business, will be responsible for the approval and review of induction and continuing professional development programs and procedures for directors.
3 Act ethically and responsibly		
<p>3.1 A listed entity should:</p> <p>a) have a code of conduct for its directors, senior executives and employees; and</p> <p>b) disclose that code or a summary of the code.</p>	Yes	<p>The Board is committed to the establishment and maintenance of appropriate ethical standards.</p> <p>The Company has a statement of values and a code of conduct endorsed by the Board that applies to all directors and any employees if and when they are engaged. The code is reviewed and updated as necessary to ensure it reflects the standards of behaviour and professionalism, and the practices necessary to maintain confidence in the Company's integrity. The directors are satisfied that the Company will comply with its policies on ethical standards, including securities trading.. A copy of the code of conduct is available on the Company's website.</p>
4 Safeguard integrity in corporate reporting		
<p>4.1 The board of a listed entity should:</p> <p>a) Have an audit committee which:</p> <p style="padding-left: 20px;">a. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">b. is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p style="padding-left: 20px;">c. the charter of the committee;</p> <p style="padding-left: 20px;">d. the relevant qualifications and experience of the members of the committee; and</p> <p style="padding-left: 20px;">e. 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</p>	<p>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>No</p>	<p>The Company will not have a separately constituted audit committee at the time of readmission. The audit compliance will be managed by the Board of the Company.</p> <p>Pursuant to the Corporate Governance Plan and adoption of the Audit and Risk Committee Charter, following readmission, the Board will consider the establishment of an Audit and Risk Committee.</p> <p>The Company has an Audit and Risk Committee Charter which will be available on the Company's website.</p> <p>The Company in general meeting will be responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.</p> <p>Until such time as an Audit and Risk Committee is established, the Board will follow the processes as set out in the Audit Committee Charter.</p>

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<p>meetings; or</p> <p>b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify 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 partners.</p>	Yes	
<p>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 their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Executive Chairman (or equivalent) and the CFO will provide the Board with a declaration in accordance with section 295A of the Corporations Act annually.</p>
<p>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.</p>	Yes	<p>The auditor of the Company will attend its AGM.</p>
<p>5 Make timely and balanced disclosure</p>		
<p>5.1 A listed entity should:</p> <p>a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is included in the Board Charter and is available at the Company's registered office and will be available at the Company's website.</p> <p>The Company Secretary has been</p>

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		<p>nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.</p> <p>Shareholders may make an election receive a copy of the Company's Annual Report by mail. Otherwise the Annual report will be available on the Company's website.</p> <p>Trading in the Company's shares</p> <p>A director must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive information in relation to those securities.</p> <p>As required by the ASX Listing Rules, the Company is to notify the ASX of any transaction conducted by any director in the listed securities of the Company. The Company has established procedures and protocols to be complied with if a director, officer or employee wishes to trade in the Company's securities.</p>
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's website will which contain all relevant information about the Company, including about the Company's corporate governance. The Company will regularly review and, when necessary, update the content of the website, so as to keep the information contained there current and relevant.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company is currently in the process of developing an investor relations program to facilitate two way communication with investors. Investors with any queries are encouraged to contact the Company Secretary.
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 communications policy in place and all material matters will be disclosed to the market in accordance with the ASX Listing Rules.
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.

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7 Recognise and manage risk		
<p>7.1 The board of a listed entity should:</p> <p>a) Have a committee or committees to oversee risk, each of which:</p> <p style="padding-left: 20px;">a. has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">b. is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 20px;">c. the charter of the committee;</p> <p style="padding-left: 20px;">d. the members of the committee; and</p> <p style="padding-left: 20px;">e. 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>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p>	<p>The Company will not have a separately constituted risk committee at the time of readmission.</p> <p>Pursuant to the Corporate Governance Plan and adoption of the Audit and Risk Committee Charter, following readmission, the Board will consider the establishment of an Audit and Risk Committee.</p> <p>Currently, the Board will be responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.</p> <p>The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity.</p> <p>The Company has adopted an Audit and Risk Committee charter which will be available on the Company's website after readmission.</p> <p>The Board intends to continue to regularly review and approve the risk management and oversight policies of the Company.</p> <p>Until such time as the Audit and Risk Committee is established, the Board will follow the processes and procedures as set out in the Audit and Risk Committee Charter.</p>
<p>7.2 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>b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p> <p>Yes</p>	<p>The Board will have the oversight function of risk management and internal control systems. Therefore, risk management functions and oversight of material business risks will be performed directly by the Board and not by management.</p>
<p>7.3 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</p>	<p>No</p> <p>Yes</p>	<p>The internal audit function will be carried out by the Board at the time of readmission. The Company will not have an internal audit department nor will it have an internal auditor. The Board is of the opinion that the size of the Company does not warrant the cost of appointing an internal auditor. The</p>

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<p>processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>		<p>Board will continue to monitor whether this will become appropriate.</p> <p>Until such time as the Audit and Risk Committee is formed, the Board will perform the role of this committee and adopt the process as described in the Audit and Risk Committee Charter.</p>
<p>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.</p>	Yes	<p>The Board will continue to monitor and disclose material risks that it considers relevant to the Company.</p>
<p>8 Remunerate fairly and responsibly</p>		
<p>8.1 The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <p style="padding-left: 20px;">a. has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">b. is chaired by an independent director</p> <p>and disclose:</p> <p style="padding-left: 20px;">c. the charter of the committee;</p> <p style="padding-left: 20px;">d. the members of the committee; and</p> <p style="padding-left: 20px;">e. 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 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>	<p>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p>	<p>At the time of readmission, the Company will not have a separately constituted remuneration committee.</p> <p>Pursuant to the Corporate Governance Plan and adoption of the Nomination Committee Charter, following readmission, the Board will consider the establishment of a Nomination Committee.</p> <p>The processes that the Company will employ for setting the level and composition of remuneration for directors and senior executives is outlined below in the response to Principle 8.2.</p> <p>The Company has adopted a Remuneration Committee Charter, which will be available on the Company's website after readmission.</p> <p>Until such time as a Remuneration Committee is established, the Board will follow the processes as set out in the Remuneration Committee Charter.</p>
<p>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.</p>	Yes	<p>The remuneration of an executive director will be decided by the Board, without the affected executive director participating in that decision-making process.</p> <p>The total maximum remuneration of non-executive directors is currently set at</p>

