A photograph of a propeller plane on a runway at sunset. The sun is low on the horizon, creating a warm, golden glow. The plane is in the foreground, with its propeller and landing gear visible. The background shows a clear sky and a line of trees.

EXPERIENCE CO LIMITED

ABN: 56 167 320 470

CORPORATE GOVERNANCE STATEMENT



The Directors of Experience Co Limited (EXP or Company or the Group) are committed to conducting business in an ethical manner and in accordance with the highest standards of corporate governance. The Group has adopted and substantially complies with the 3rd edition of the ASX Corporate Governance Principles and Recommendations (Third Edition) (**Recommendations**) appropriate to the size and nature of the Group's business.

This statement sets out the extent to which the Group has complied with the Recommendations for FY19 and provides explanations to the extent not followed.

This statement is current as at 30 September 2019 and has been approved by the Board of EXP.

The Group's corporate governance policies and charters are available under the Investor section of the Group's website (www.experienceco.com/investors) (**Website**).

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Functions reserved for the Board and those delegated to Management

The Board has adopted a Board Charter which establishes the role of the Board and the division of responsibilities between the Board and management.

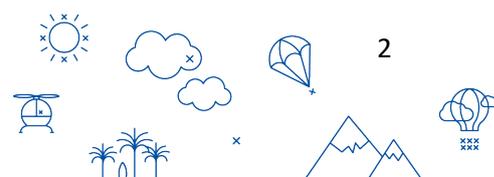
The primary role of the Board is the protection and enhancement of long term Security Holder value and its responsibilities include the overall strategic direction of the Group, establishing goals for Senior Executives and monitoring the achievement of those goals. The Board is responsible for the overall corporate governance of the Group.

The Board Charter sets out the role and responsibility of the Chair of the Board and outlines the Board's policy on when and how Directors may seek independent professional advice.

The Board Charter provides for the delegation of powers and authority. Following the appointment of John O'Sullivan as Chief Executive Officer (CEO) in July 2019, delegation and authority to conduct and manage the affairs of the Company's business within levels of authority agreed from time to time by the Board, was delegated solely to the CEO. The CEO may sub-delegate aspects of his authority and power but remains accountable to the Board for the operation and performance of the business. Prior to John Sullivan's appointment this delegation was to the Managing Director, (MD) and Chief Executive Officer (CEO) of the Company.

The Board will review the Board Charter in line with the 4th edition of the ASX Corporate Governance Principles and Recommendations and in doing so will ensure that it continues to be appropriate to the needs of the Group.

A copy of the Board Charter is available on the Website.



Remuneration and Nomination Committee

The Board has an established Remuneration and Nomination Committee. The Remuneration and Nomination Committee's functions and powers are formalised in a Remuneration and Nomination Committee Charter, a copy of which is available on the Website.

The Remuneration and Nomination Committee is responsible for identifying suitable candidates with appropriate skills, experience, expertise and diversity to ensure the Board is able to discharge its mandate effectively.

Where appropriate, external consultants may be engaged to assist in candidate recruitment including for Senior leadership roles.

During the year, an external recruitment consultant was engaged to assist in the recruitment of the Chief Financial Officer (CFO) who joined the Group in February 2019 and the CEO who joined in July 2019. It is the Company's policy to obtain background and other checks in relation to the recruitment of Directors as well as Senior Executives. Accordingly, appropriate background and other checks were conducted in relation to the appointment of both the CFO and CEO.

All material information will be provided to Security Holders in relation to election and re-election of Directors at the 2019 Annual General Meeting.

Terms and conditions of appointment including roles, responsibilities, powers, rights and obligations of Non-Executive Directors are set out in their respective letters of appointment.

Terms and conditions of appointment including rights and obligations of Senior Executives are included in their respective employment contracts.

The Board Charter provides that the Company Secretary is accountable to the Board through the Board Chair on all corporate governance matters and on the proper functioning of the Board. All Directors have access to the Company Secretary. The decision to appoint or remove the Company Secretary is reserved for the Board.

Diversity and Anti-Discrimination

The Group encourages diversity and recognises the value diverse perspectives bring to the Group. The Group's workforce comprises individuals with diverse skills, backgrounds, perspectives and experiences. Diversity includes gender, age, cultural background, sexual orientation and religious differences.

The Group does not condone unlawful behaviour or any form of discrimination, harassment or victimisation of its workforce, customers or any of its stakeholders.

The Group determines appointments and bases all key selection criteria on experience, merit and competency for each role. The Group acknowledges gender diversity in its approach to increasing and retaining high quality employees, enhancing corporate image and reputation and follows recruitment processes aimed at improving and achieving gender equality.



As at 30 June 2019, EXP was an employer of 100 or more employees in Australia and as such reports annually under and continues to be compliant with the Workplace Gender Equality Act. As at 30 June 2019, the percentage of females in Management and Non-Management roles is as follows:

	% FEMALES 30 JUNE 2019
In Management roles when compared to males in management roles	31%
Number of females in Non-Management roles (whole organisation)	45%

A copy of the Group's diversity policy is available on the Website.

Board and Senior Executive Evaluation

The Remuneration and Nomination Committee is responsible for assisting the Board in the performance evaluation of the Board, its Committees and each individual Director, engaging an external consultant, if required.

An internal survey to evaluate and assess the performance and effectiveness of the Board in relation to FY19 has been performed. The results of the survey will be used for ongoing improvement and development of the Board and Committees as appropriate.

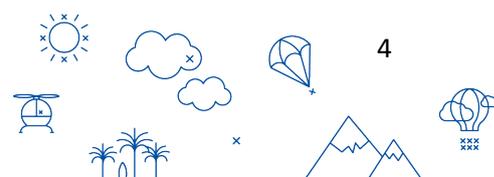
Key Performance Indicators (KPI's), considering the objectives and longer term strategies of the business, for Senior Executives are set annually and performance is assessed and evaluated against these performance targets. In accordance with this process, a performance evaluation, in relation to achievement against FY19 KPI's, was performed in August 2019.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

The Remuneration and Nomination Committee comprises three Independent Non-Executive Directors – Kerry Robert (Bob) East (Chair), John Diddams and Colin Hughes.

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board in relation to the composition and performance of the Board and its Committees (including for the recruitment and appointment of Directors and Senior Executives). The Remuneration and Nomination Committee meets as often as is required to discharge its duties and in accordance with the Remuneration and Nomination Committee Charter. Following each meeting, the Committee reports to the Board on any matter that should be brought to the Board's attention. During FY19, the Remuneration and Nomination Committee held three meetings. The number of meetings held and attended is disclosed in the Director's' Report of the Company's 2019 Annual Report.

A copy of the Remuneration and Nomination Committee Charter is available on the Website.



The Board is committed to ongoing improvement and will continue to review its composition, skills and expertise to ensure the business delivers on its key objectives and strategic direction.“

The level of expertise of the Board, as a collective, includes medium to high levels in the following areas:

Skills / Experience / Knowledge
Leadership which include executive and non-executive roles
Strategy including growth, business development, mergers & acquisition, operating in both domestic and global markets
Core Industry related Experience incorporating:
Adventure related businesses, aviation, travel and tourism and other complementary industries
Brand development, marketing and distribution
Ecommerce and digital technology
Broader aspects of Business Acumen incorporating:
Financial
Risk Management, Legal and compliance, governance, regulatory and public policy
HR, Diversity, WHS and CSR
Shareholder/Investor relations

Director Independence

The Board comprises a majority of Non-Executive Directors - Bob East (Chair), John Diddams and Colin Hughes.

On 26 October 2018, Bob East was appointed Chair of the Board in place of John Diddams who resumed the role of Deputy Chair.

In February 2019, Bob East temporarily assumed the role of Executive Chair of the Company until 29 July 2019 when the new CEO joined the Group.

Anthony Boucaut transitioned to Non-Executive Director on 2 September 2019. Based on his level of shareholding in the Company and having held the position of Managing Director of the Company prior to his transition, Anthony is not considered an independent Director.

The Board considers thresholds of materiality for the purpose of determining independence on a case-by-case basis. Factors considered in determining the independence status of Directors are detailed in the Board Charter. The Board considers Bob East, John Diddams and Colin Hughes to be Independent Non-Executive Directors on the basis that they are free from any material interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of their judgement.

Additional information including experience, Directors in office at the date of this statement and date of appointment of each Director, are set out in the Directors' Report of the Company's Annual Report.

Processes are in place for newly appointed Directors to undergo induction which includes meetings with the Chair of the Board and Senior Executives to gain an understanding of the business. Relevant Company and corporate governance material and policies are made available to newly appointed Directors.

The Board receives ongoing governance updates including legislative and regulatory changes and developments in corporate governance, as required. All Directors have ongoing access to information on the Group's operations and to the group's Senior Executives. Directors are able to seek reasonable independent professional advice on any business-related matter at the expense of the Group.



PRINCIPLE 3 – ACT ETHICALLY

The Board is committed to and promotes the highest standard of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct which sets out the Company's commitment to ethical practices and behaving honestly and fairly. The Code of Conduct outlines the obligations of directors, employees and contractors (as relevant and applicable) in carrying out their duties in compliance with all laws and regulations and acting ethically. Responsibilities include the protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

Whistleblower Policy

The Board has adopted a Whistleblower Policy which further endorses the Company's commitment to ethical behaviour, corporate compliance and a culture which encourages reporting unethical behaviour and misconduct without fear of possible adverse repercussions as a result.

Copies of the Code of Conduct and Whistleblower Policy are available on the Website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Audit and Risk Committee

The Board has established an Audit and Risk Committee which comprises three Independent Non-Executive Directors, John Diddams (Chair), Bob East and Colin Hughes.

The role of the Audit and Risk Committee is to oversee the Group's financial reporting and audit functions and risk framework (refer Principle 7 for information relating to risk). This includes confirming the quality and reliability of the financial information prepared by the Group, working with the external auditor and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.

The Audit and Risk Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.

The Audit and Risk Committee meets as often as is required to discharge its duties and in accordance with the Audit and Risk Committee Charter. The Chair of the Committee may invite other Directors, Senior Executives and representatives of the external auditor to attend meetings of the Committee as well as seek advice from external advisers. The Audit and Risk Committee reports to the Board in relation to Committee activities and recommendations.

During the year, the Audit and Risk Committee held 3 meetings. The number of meetings held and attended during FY19 is disclosed in the Director's Report of the Company's 2019 Annual Report.

Certification of Annual Report

The Directors are committed to the preparation of financial statements that present a balanced and accurate assessment of the Group's financial position and prospects.

The Board, with the guidance of the Audit and Risk Committee, reviews the Group's half year and annual financial statements.

The Board receives written assurances from the CEO and the CFO confirming that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition, that the operational results are in accordance with relevant accounting standards and that the opinion has been formed on the basis of sound risk management and internal controls.

The Group's external auditor is required to attend the Company's Annual General Meeting and Security Holders are given an opportunity to ask questions of the Group's auditor regarding the conduct of the audit and preparation and content of the auditor's report.

The auditors of the Company attended the 2018 Annual General Meeting.

A copy of the Audit and Risk Committee Charter is available on the Website.



PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

The Board has adopted a Continuous Disclosure Policy designed to ensure compliance with ASX Listing Rule disclosure requirements.

The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Group's securities and to providing information for all investors.

These procedures ensure that timely and accurate information is provided to Security Holders.

Directors are provided with copies of all material market announcements prior to disclosure to the ASX.

A copy of the Continuous Disclosure Policy is available on the Website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

The Board is committed to facilitating effective communication with its Security Holders, investors and stakeholders and has adopted a Shareholder Communications Policy to define and support this commitment.

Information is communicated to Security Holders through the lodgement of all relevant financial and other information with the ASX in accordance with its continuous disclosure obligations as well as on the investor section of the Website following release to the ASX. The Website also contains general information relating to the Company and its business.

The Group's investor relations approach includes:

- Conducting market updates for all Security Holders and stakeholders following the release of the Group's half-year and full-year results.
- Conducting investor and analyst meetings at which institutional investors and analysts are briefed and provided an opportunity to ask questions of the CEO and CFO.
- Providing relevant information for Security Holders and investors via the Website;
- Encouraging Security Holder attendance and participation at general meetings.

The Group's Annual General Meeting is an opportunity for Security Holders to receive updates from the CEO and Chair of the Board on the performance of the Group, to ask questions of the Board and vote on resolutions relating to the Group's business. Security Holders are also given an opportunity at the Annual General Meeting to ask questions of the Group's auditors regarding the conduct of the audit and preparation and content of the auditor's report.

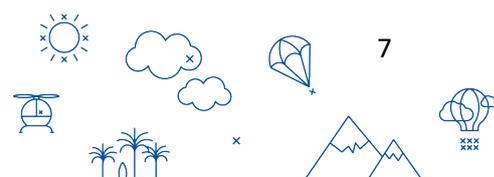
To recognise the votes of Shareholders present at the Annual General Meeting and those who vote by proxy, consistent with the approach in 2018, at the 2019 Annual General Meeting all items of business will be decided on a poll.

Security Holders who are unable to attend general meetings in person, are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.

Investors are able to communicate with the Group electronically by emailing the Company Secretary at companysecretary@experienceco.com

The Group encourages its shareholders to receive company information electronically by registering their email addresses online with EXP's share registry.

A copy of the Shareholder Communications Policy is available on the Website.



PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

The Board has established an Audit and Risk Committee – refer to Principle 4 for information on the Committee and Committee members.

The Audit and Risk Committee's functions are formalised in a Charter, a copy of which is available on the Website.

The Board is responsible for overseeing the establishment of and approving the risk management strategy, policies, procedures and systems for the Group.

The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring the Group's risk management framework to provide assurance that significant business risks are identified, assessed and appropriately managed. A comprehensive review of the Group's risk framework and key risks was undertaken in September 2019 and a risk management strategy, appropriate for the business, has been developed.

Due to the size of the business, a formal internal audit function has not been implemented. Internal procedures and processes are relied on to ensure obligations are met. In addition, the Group's external auditors provide recommendations where internal control weaknesses are identified and, if required, specific functions can be outsourced.

Corporate Social Responsibility

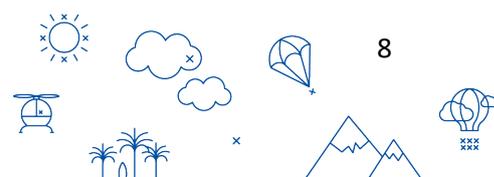
Environmental

As an outdoor adventure company, the Group acknowledges the environment in which it operates and is committed to protecting and minimising the impact on the environment, promoting environmental best practice operations and to achieving maximum sustainability. The Group has established procedures whereby compliance with environmental regulations are managed. This process includes procedures should an incident adversely impact the environment. The Group holds relevant and valid permits under the Great Barrier Reef Marine Park Authority (GBRMPA) and the Group supports and carries out its activities within the guidelines prescribed by GBRMPA.

One of our largest operators on the Great Barrier Reef, recently, successfully completed a comprehensive greenhouse gas emissions audit as part of the Australian Government's Greenhouse Challenge Plus programme and the Tourism Tropical North Queensland Planet Safe partnership programme.

Company-wide initiatives, include:

- minimising or eliminating, where possible, the use of plastic for all activities
- aircraft fleet upgrades with a focus on minimising noise and carbon emissions
- Outboard engines are best practice emission friendly and marine fleet carry 'Advanced Eco' accreditation status
- Management is committed to environmental best practices and maximising sustainability
- A dedicated in-house marine biology team oversees marine activities
- On board customer education programs promoting protection and ongoing awareness of the environment, particularly the Great Barrier Reef World Heritage Area and Marine Park are in place.



Community

In November 2018, the Company launched Dreamtime Dive & Snorkel adventure experiences in Far North Queensland. This integrates indigenous cultural historical story-telling, as told by indigenous rangers, with snorkelling and diving cruises to the Great Barrier Reef. This initiative provides tourists with a unique opportunity to engage in indigenous cultural experiences in Australia while exploring one of the seven wonders of the world. This successful initiative also provides the opportunity to invest in Australia's indigenous culture and people providing ongoing employment opportunities as well as training programs to develop relevant industry skills for the indigenous community in the region, now and into the future.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The Board has an established Remuneration and Nomination Committee – refer Principle 2 for information on the Committee and Committee members.

The Remuneration and Nomination Committee's functions are formalised in a Remuneration and Nomination Committee Charter, a copy of which is available on the Website.

The remuneration-related role of the Remuneration and Nomination Committee, utilising external consultants as it deems appropriate, is to review and make recommendations to the Board on remuneration packages and policies relating to the Directors and Senior Executives to ensure that the remuneration policies and practices are consistent with the Group's strategic goal, aim to attract, retain and motivate high quality Senior Executives and to ensure that their interests are aligned with those of Security Holders.

The Remuneration and Nomination Committee will meet as often as is required to discharge its duties and in accordance with the Remuneration and Nomination Committee Charter

Following each meeting, the Remuneration and Nomination Committee reports to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Remuneration and Nomination Committee that requires Board consideration.

Directors and Key Management Personnel Remuneration

Details of the Directors' and Key Management Personnel remuneration and the structure of Non-Executive Directors' remuneration is detailed in the Remuneration Report of the Group's 2019 Annual Report.

Remuneration structures were reviewed during the year and short and long term structures implemented to ensure they are appropriate for the current and ongoing needs of the business, and ensuring they:

- Align with current and ongoing needs, goals and objectives of the business
- Are competitive and reasonable
- Enable the Company to attract and retain high calibre Senior Executives
- Align with the interests of Security Holders aimed at promoting long term sustainable growth in shareholder value

Securities Trading Policy

The Company's Securities Trading Policy, aimed at minimising the risk of actual or the appearance of insider trading, applies to the Company and its Directors, Company Secretary, Senior Executives and any other persons nominated by the Board, from time to time (Group Personnel).

The Security Trading Policy outlines conduct, procedures, closed trading periods and restrictions in relation to dealings in the Company's securities by Group Personnel.

A copy of the Group's Securities Trading Policy is available on the Website.

