

EXPERIENCE CO LIMITED

ABN: 56 167 320 470

CORPORATE GOVERNANCE STATEMENT

ExperienceCo.
LIMITED

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 4th edition of the ASX Corporate Governance Principles and Recommendations (**ASX Principles**) appropriate to the size and nature of the Group's business.

This statement is current as at 27 August 2020 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 provides for the delegation of powers and authority to the Chief Executive Officer (**CEO**) of the Group to conduct and manage the affairs of the Company's business within levels of authority agreed from time to time by the Board. The CEO may delegate aspects of his authority and power but remains accountable to the Board for the operation and performance of the business.

During the year, the Board reviewed the Board Charter in line with the 4th edition of the ASX Principles.

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

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 the CEO and Non-Executive Directors, during the year.

All material information will be provided to Security Holders in relation to the re-election of Directors at the 2020 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

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 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 gender equality.

The Company has not set specific measurable targets in relation to gender diversity alone, however, measures to support diversity more generally include flexible rostering and working arrangements, parental leave and equal pay and employment opportunities.

Recognising the benefit that diversity, including gender diversity, brings to the Board, in January 2020, the Company appointed its first female Board member, Michelle Cox.

As at 30 June 2020, 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 2020, the percentage of females in Management and Non-Management roles is as follows:

| | % FEMALES 30 JUNE 2020 | % FEMALES 30 JUNE 2019 |
|---|---------------------------|---------------------------|
| In Management roles when compared to males in management roles | 38% | 31% |
| Number of females in Non-Management roles (whole organisation) | 45% | 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 FY20 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 FY20, was performed for Senior Executives.

PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

The Board has a Remuneration and Nomination Committee. The Remuneration and Nomination Committee comprises three Independent Non-Executive Directors – Kerry Robert (Bob) East (Chair), Neil Cathie and Michelle Cox.

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's responsibilities include 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.

Following each meeting, the Committee reports to the Board on any matter that should be brought to the Board's attention. The number of meetings held and attended is disclosed in the Director's Report of the Company's 2020 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.

As a collective, the Board encompasses an appropriate level of skills, experience and expertise in each of the following areas. Any skill not demonstrated on the Board will be supplemented by Senior Management or through external advisors, as deemed appropriate.

| |
|--|
| Skills / Experience / Knowledge |
| Leadership which includes executive and non-executive roles |
| Strategy including growth, business development, mergers & acquisitions, 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 acumen |
| 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 Independent Non-Executive Directors. The role of the Chair of the Board and the CEO are not performed by the same person.

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 following measures promote and maintain independent judgement in relation to decision-making:

- Directors must act in the best interests of the Company at all times;
- A standard item on each Board Meeting agenda requires Directors to declare any interest or conflicts of interest; and
- Directors with a material interest or conflict of interest do not participate in discussion or vote on any matter in which he/she has an interest or conflict.

The Board considers Bob East, Neil Cathie and Michelle Cox 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.

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 Non-Executive Director.

John O' Sullivan is CEO of the Company and is therefore not an independent Director.

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. Having first sought the Chairman's approval to do so, Directors are able to seek reasonable independent professional advice on any business-related matter at the expense of the Group.

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Board is committed to and promotes the highest standard of corporate practice and business conduct.

The Company's values are included in the Company's Code of Conduct. The Code of Conduct includes the Board's commitment to uphold the values of good corporate citizenship in both individual conduct and corporate actions.

The Company has adopted a Code of Conduct that applies to Directors, employees and contractors of the Company outlining 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 dealing fairly with customers, suppliers, competitors and all stakeholders, protecting the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

The Board has adopted a compliant Whistleblower Policy which 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. Material incidents reported under the Whistleblower policy will be reported to the Company's Audit & Risk Committee.

The Company's Code of Conduct includes, among other things, that Directors, employees and contractors are prohibited from offering or accepting any form of bribe, inducement or any other unauthorised commission.

Breaches of the Code of Conduct will be reported to the Chair of the Audit & Risk Committee for referring to the Audit & Risk Committee for investigation and recommending action for the Board to take in response to such breach.

The Company's Code of Conduct and Whistleblower Policies are available on the Website.

PRINCIPLE 4 – SAFEGUARD INTEGRITY OF CORPORATE REPORTS

Audit and Risk Committee

The Board has established an Audit and Risk Committee which comprises three Independent Non-Executive Directors, Neil Cathie (Chair), Bob East and Michelle Cox. Neil Cathie has accounting qualifications and is a Fellow of CPA Australia (FCPA).

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.

The number of meetings held and attended during FY19 is disclosed in the Director's Report of the Company's 2020 Annual Report.

Financial Reporting

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 Chief Financial Officer (CFO) confirming that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial position, 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.

Releases to Market

Periodic reports to the market which are not audited or reviewed by external auditors are subject to management review to ensure all content is materially accurate and appropriate. The Board reviews and approves all material market announcements prior to the release to the market.

The auditors of the Company attended the 2019 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 the policy is on ensuring 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.

All Directors receive confirmation of the release of all market announcements from the ASX Markets Announcements platform, immediately once released.

It is Company policy that any new or substantive investor or analyst presentation is released on the ASX markets announcement platform prior to the presentation being made to investors or analysts.

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 on the ASX markets announcement platform in accordance with its continuous disclosure obligations. Following release and acknowledgement by ASX, all such information is updated in the investor section of the Website. The Website also contains general information relating to the Company and its business.

The Group's investor relations approach includes:

- Conducting investor briefings and investor roadshows following the release of the Company's half-year and full-year results, and at other appropriate times;
- 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 2019, at the 2020 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 the Group risk register was presented to the Audit and Risk Committee for review during the year.

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 accounting and system controls are appropriate for the business. In addition, the Group's external auditors provide recommendations where internal control weaknesses are identified and, if required, specific functions can be outsourced.

Environmental

The Company monitors its exposure to all risk including environmental risk. The Board does not consider that it has any material exposure to environmental risk, however, acknowledges that material exposure outside of its control may arise.

As an outdoor adventure and tourism company, the Group 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. 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.

The Group is proud to be accredited with the following organisations:

- Advanced Ecotourism via Ecotourism Australia
- Leader under Climate Action Australia's Certification Program
- The Australian Government's climate change initiative Greenhouse Challenge Plus
- The Australian based Planet Safe Partnership

Company-wide initiatives implemented to reduce the Group's environmental impact, include:

- Elimination of plastic on all Group activities and adopting environmentally friendly products
- Implementing recycle programs for all Group activities
- Maintaining marine engines to run efficiently and using low emission outboard engines on vessels
- GBR Biology (an in-house dedicated biology team) oversees and monitors reef health at all our sites, builds reef resilient networks, provides reef education and is a supporter and promoter of Citizens of the Great Barrier Reef (a network working to preserve the Reef by driving positive action and engagement)
- 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
- Aircraft fleet upgrades focus on minimising noise and carbon emissions

WH&S

The safety of our employees, customers, contractors and other stakeholders in the workplace is paramount and EXP is dedicated to developing and implementing processes to protect their health and safety.

During the Covid-19 pandemic, the Company adopted strict health and safety measures including those mandated by Government to ensure the health and safety of its employees, customers, contractors and other stakeholders.

Community

Dreamtime Dive & Snorkel adventure experiences in Far North Queensland was launched in November 2018. This ongoing initiative integrates indigenous cultural historical story-telling, as told by indigenous rangers, with snorkelling and diving cruises to the Great Barrier Reef providing 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 continues to provide employment opportunities as well as training programs to develop relevant industry skills for the indigenous community in the region, now and into the future.

The Company is proud to be a supporter of the Junior Indigenous Marine and Environmental Cadet Program (**JIME**), in North Queensland. JIME provides local indigenous students with opportunities to gain industry related employment while at Secondary School. The ultimate goal is for the students to gain employment in the partner Companies, once graduated. The Group currently has 6 year 12 students who are completing their second year traineeship and 12 year 11 students who are in their first year. The Company recognises the benefit that these support programs have for our young indigenous students and more importantly to the community as a whole.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The Board has a 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 when 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 to attract, retain and motivate high calibre 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 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 2020 Annual Report.