



# APOLLO TOURISM & LEISURE LTD ACN 614 714 742 (Apollo or Company)

## CORPORATE GOVERNANCE STATEMENT

Apollo Tourism & Leisure Ltd (**Apollo**) is committed to achieving and demonstrating the effective standards of corporate governance. Apollo has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council (**Recommendations**). This Corporate Governance Statement discloses the extent to which Apollo complies with the Recommendations and if it does not, why not. The commentary addresses the reasons for any departure from the requirements and the following legend has been used to summarise the status of Apollo's compliance with the Recommendations.

This Corporate Governance Statement is dated 30 June 2017 and reflects the corporate governance practices in place since admission to the Australian Securities Exchange on 4 November 2016 and was approved by the Board on 23 August 2017. A description of Apollo's current corporate governance practices is set out in the Apollo's Corporate Governance Statement which can be viewed at <http://www.apollotourism.com/corporate-governance/>

|  |   |
|--|---|
| Apollo complies with the Recommendation  | ✓ |
| Apollo intends to comply with the Recommendation and will work towards compliance in the 2018 financial year | x |
| Apollo intends to monitor the Company's size and need in respect of the Recommendation                       | ○ |

| Principle 1 – Lay solid foundations for management and oversight |  |   |
|--|--|---|
| 1.1  | The Board has outlined in its charter, its role and responsibilities and has established a clear distinction between its functions and those delegated to management.  | ✓ |
| 1.2  | Appropriate checks including criminal record checks have been carried out on all Board members prior to their appointment. Apollo will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director at future general meetings. | ✓ |
| 1.3  | All directors and senior executives have a written agreement with Apollo setting out the terms of their appointment.   | ✓ |
| 1.4  | Apollo's secretary is accountable directly to the Board, through the Chairman on all matters to do with the proper functioning of the Board.   | ✓ |

|   |  |   |
|---|--|---|
| 1.5   | The Board has adopted a Diversity Policy (a copy of which is on Apollo's website). The Diversity Policy requires the Board to set measurable objectives for obtaining gender diversity. The Board has not yet set measurable objectives but intends to review the diversity statistics with Apollo and use those measures to formulate measurable objectives.  | ✓ |
| 1.6   | At least once per year the Board will, with the advice and assistance of the Nomination Committee, review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives. The requirement for these evaluations is set out in the Board Charter.   | ✓ |
| 1.7   | Performance reviews for the Managing Director and senior management will take place at least annually. The Nomination and Remuneration Committee has accountability in its Charter to oversee these reviews and report to the Board on its outcomes. Apollo intends to ensure that appropriate disclosures in the remuneration report are made in relation to each reporting period as to the performance evaluations that were undertaken and the process that was followed.  | ✓ |
| <b>Principle 2 – Structure the board to add value</b> |  |   |
| 2.1   | The Board has formed a Nomination Committee. The charter for each of the Nomination Committee is available on Apollo's website. Membership of the Nomination Committee comprising:<br>a) Stephen Lonie (independent non-executive Chairman); and<br>b) Sophie Mitchell, committee chair (independent non-executive Director).<br>Recommendation 2.1 states that a Nomination Committee should have at least three members, a majority of whom are independent directors. The Board considers that the Nomination Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent directors, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee. | ○ |
| 2.2   | In establishing the Board of Apollo, regard was had to the skills and expertise required of the directors relevant to Apollo's business. Directors with the desired skills and expertise were carefully selected for appointment to the Board.   | ✓ |
| 2.3   | The Board Charter sets out the criteria adopted by the Board for considering if a director is independent. The Board is comprised of four members, two of whom are independent (Stephen Lonie and Sophie Mitchell). All Directors were appointed during September 2016.<br>Stephen Lonie and Sophie Mitchell are considered independent as they:<br>a) do not have a material shareholding in Apollo;<br>b) are not an advisor or supplier to Apollo;  | ✓ |

|   |   |   |
|---|---|---|
|   | <p>c) do not have any other material contractual relationship with Apollo other than their positions as directors.</p> <p>Sophie is currently also a director of Morgans Corporate Limited (being the lead manager and underwriter to the initial public offering). The Board considers that this is not sufficiently material to influence, or be perceived to influence, Sophie's capacity to bring an independent judgement to bear on issues before the Board. In the event that a conflict of duty arises, Directors must comply with the Corporations Act in relation to any meeting disclosure and voting requirements.</p>  |   |
| 2.4   | <p>The Board is comprised of four members, two of whom are independent (Stephen Lonie and Sophie Mitchell).</p> <p>Recommendation 2.4 sets out that a majority of the board of a listed entity should be independent directors. Having regard to the size and nature of the Company, the Board has determined that it is sufficient to have four Directors at this time, with two being independent non-executive Directors. The Board will monitor the needs of the Company and may in the future consider the appointment of additional independent non-executive Directors to the Board. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contracts relevant to the business of Apollo.</p> | ○ |
| 2.5   | <p>The Chairman is an independent Director and facilitates the effective contribution of all Directors at Board meetings. The roles of Chair and Managing Director are exercised by different individuals.</p>  | ✓ |
| 2.6   | <p>The Company has a program in place for induction of new Directors, which includes management presentations and site visits. Directors are also given access to continuing education in relation to Apollo's business, the industry in which it operates, and other information required by them to discharge the responsibilities of their office.</p>   | ✓ |
| <b>Principle 3 – Act ethically and responsibly</b>              |   |   |
| 3.1   | <p>The Board has adopted a code of conduct applicable to all Directors, senior executives and employees, a copy of which is disclosed on Apollo's website.</p>  | ✓ |
| <b>Principle 4 – Safeguard integrity in corporate reporting</b> |   |   |
| 4.1   | <p>The Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is available on Apollo's website. The Audit and Risk Committee comprise:</p> <ul style="list-style-type: none"> <li>a) Stephen Lonie (independent non-executive Chairman); and</li> <li>b) Sophie Mitchell, committee chair (independent non-executive Director).</li> </ul> <p>Recommendation 4.1 states that an audit committee should have at least three members, all of whom are independent directors.</p> <p>The Board considers that an Audit and Risk Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent directors, is sufficient having regard to the</p>    | ○ |

|   |  |   |
|---|--|---|
|   | size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.<br>The relevant qualifications and experience of the members of the Audit and Risk Committee are set out in the Director's biographies on Apollo's website and will be updated in each reporting period.  |   |
| 4.2   | The board of Apollo requires declarations and management representations in respect of the financial records and information of the business from the CEO and CFO for both the half-year and full-year results.  | ✓ |
| 4.3   | Apollo's external auditor will be requested to attend the AGM and make themselves available to answer questions from shareholders relevant to the audit.   | ✓ |
| <b>Principle 5 – Make timely and balanced disclosure</b>    |  |   |
| 5.1   | The Board has established a written Disclosure and Communication Policy to ensure compliance with the ASX Listing Rule disclosure requirements and to ensure accountability for compliance. Each Board meeting considers whether any continuous disclosure issues arose during the course of the meeting. The Disclosure and Communication Policy is on Apollo's website.  | ✓ |
| <b>Principle 6 – Respect the rights of security holders</b> |  |   |
| 6.1   | Apollo has a website (www.apollotourism.com) which provides information about it, the Directors and executives, key governance policies and other information relevant to its investors. The website will be a key communication tool between Apollo and the shareholders.   | ✓ |
| 6.2   | Apollo is committed to facilitating effective communication with investors as a means of providing a greater understanding of the Apollo business, governance, financial performance and prospects. Key aspects of Apollo's investor relations framework include: <ul style="list-style-type: none"> <li>• Access to Apollo's board and executives at General Meetings;</li> <li>• Two-way investor teleconferences held on reporting full-year financial results;</li> <li>• Periodic investor relations road-shows for institutional investors;</li> <li>• Contact details provided on market announcements where investors can seek further information; and</li> <li>• Maintenance of an investor relations database to manage and track communications with investors.</li> </ul> | ✓ |
| 6.3   | The Board has adopted the Disclosure and Communication Policy and will provide shareholders with opportunities to have questions addressed at shareholder meetings, irrespective of whether the shareholder is able to attend.   | ✓ |
| 6.4   | All shareholders of Apollo are able to communicate with Apollo and its share registry electronically and this method of communication is encouraged.   | ✓ |

| <b>Principle 7 – Recognise and manage risk</b> |  |   |
|--|--|---|
| 7.1  | <p>The Board has established an Audit and Risk Committee. The charter for the Audit and Risk Committee is available on Apollo’s website. The Audit and Risk Committee comprise:</p> <ul style="list-style-type: none"> <li>a) Stephen Lonie (independent non-executive Chairman); and</li> <li>b) Sophie Mitchell, committee chair (independent non-executive director).</li> </ul> <p>Recommendation 7.1 states that a risk committee should have at least three members, a majority of whom are independent directors.</p> <p>The Board considers that an Audit and Risk Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent Directors, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.</p> | ○ |
| 7.2  | <p>The Board has appointed the Audit and Risk Committee to assist it with discharging its oversight function in respect of material business risks and to determine if the system of risk management is sound. Outcomes of those reviews are reported in the corporate governance statement annually.</p> <p>The Board has performed a review as at 30 June 2017 and has determined that no significant changes were required to the risk management framework.</p>  | ✓ |
| 7.3  | <p>Apollo does not have an internal audit function. The Board is of the view that it is not cost effective to have an internal audit function at this point in time given the size of the business and the fact that Apollo is not a complex operation. This decision will however be kept under review. The Board, through the Audit and Risk Committee, will work with management to review the management assurance function, to provide assurance to the Board on the effectiveness of internal controls and to recommend improvements to those controls. Where necessary independent third parties will be requested to undertake audits of specific parts of the business.</p>   | ✓ |
| 7.4  | <p>The material risks that Apollo is exposed to are disclosed in the Annual Report and these include disclosure of any economic, environmental and social sustainability risks it faces. Management of the risks will form part of the review of the risk management framework undertaken by the Audit and Risk Committee.</p>   | ✓ |

| <b>Principle 8 – Remunerate fairly and responsibly</b> |   |   |
|--|---|---|
| 8.1  | <p>The Board has formed a Nomination and Remuneration Committee. Membership of the Nomination and Remuneration Committee comprise:</p> <ul style="list-style-type: none"> <li>a) Stephen Lonie, committee chair (independent non-executive Chairman); and</li> <li>b) Sophie Mitchell (independent non-executive Director).</li> </ul> <p>Recommendation 8.1 states that a remuneration committee should have at least three members, a majority of whom are independent directors. The Board considers that the Nomination and Remuneration Committee comprising Stephen Lonie and Sophie Mitchell, both of whom are considered by the Board to be independent Directors, is sufficient having regard to the size and nature of the Company. The Board will monitor the needs of the Company and may in the future consider the appointment of additional members to the committee.</p> <p>A copy of the charters governing the Nomination and Remuneration Committee is provided on Apollo's website.</p> | ○ |
| 8.2  | The remuneration policy and amounts paid to executive and non-executive Directors can be found within the Directors' Report in the Annual Report.   | ✓ |
| 8.3  | Apollo does not currently have an equity-based remuneration scheme in place, although if the Company introduces such a scheme in the future the Board intends to comply with Recommendation 8.3.  | ○ |