



CORPORATE GOVERNANCE STATEMENT

UCW Limited
ACN 108 962 152

31 August 2016

CORPORATE GOVERNANCE STATEMENT

This corporate governance statement sets out UCW Limited's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations. This corporate governance statement is current as at 30 June 2016 and has been approved by the board of the Company (**Board**).

STATEMENT OF CORPORATE GOVERNANCE		
ASX Principles and Recommendations	Comply (Yes/No)	Explanation
1. Lay solid foundations for management and oversight		
1.1. A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	<p>The Board is responsible for the corporate governance of the Company.</p> <p>The Board has adopted a Board Charter which outlines the manner in which its powers and responsibilities will be exercised and discharged having regard to principles of good corporate governance and applicable laws. Pursuant to the Board Charter, the Board assumes responsibilities including, but not limited to the following:</p> <ul style="list-style-type: none"> (a) considering and approving the strategy of the Company; (b) adopting an annual budget and monitoring financial performance including approving the annual and half year financial statements and reports; (c) approving major investments and monitoring the return on those investments; (d) reviewing and monitoring significant business risks and overseeing how they are managed; and (e) appointing and reviewing the performance of the Board as a group and of individual directors including succession planning for management. <p>Pursuant to the Board Charter, the Board has delegated specific authorities to the Company's chief executive officer (CEO), in relation to the Company and its operating subsidiaries. Subject to these delegated matters, the CEO is authorised to exercise all the powers in relation to the operating subsidiaries, except with respect to the following:</p> <ul style="list-style-type: none"> (a) approval of major elements of strategy including any significant change in the direction of that strategy; (b) approvals above delegated levels of credit limits, risk exposure, market risk limits and loans and encumbrances; (c) capital expenditure in excess of delegated levels of expenditure outside the ordinary course of business; (d) certain remuneration matters including material changes to remuneration policies;

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		<p>(e) adoption of the relevant company's annual budget;</p> <p>(f) approval of the interim and final accounts and related reports;</p> <p>(g) specific matters in relation to continuous disclosure as defined in the Continuous Disclosure Policy; and</p> <p>(h) other matters as the Board may determine from time to time.</p> <p>The Company is committed to the circulation of relevant materials to directors in a timely manner to facilitate directors' participation in Board discussions on a fully-informed basis.</p> <p>It is expected that the division of responsibility of the Board and senior executives (once appointed) will vary with the evolution of the Company. The Company intends to regularly review the balance of responsibilities to ensure that the division of functions remains appropriate to the needs of the Company.</p>
<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>	Yes	<p>The Company undertakes background checks with regards to the person's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director. Any material adverse information revealed by these checks is released to security holders prior to the general meeting at which they are able to be elected.</p> <p>When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the security holders in the Company.</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>	Yes	<p>Directors are provided with indemnity insurance and access deeds, and also service agreements or consultancy agreements, and senior executives are given employment contracts setting out the terms of their appointment. These are set out in the relevant terms by which they will be involved in 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>	Yes	<p>The Joint Company Secretaries are appointed by and are responsible to the Board through the Chairman. The Chairman and the Joint Company Secretaries co-ordinate the Board 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</p>	Yes	<p>The Company has adopted a Diversity Policy which identifies gender diversity as a key area of focus for the Company. Gender diversity is integral to the Company's overall diversity strategy. Increasing the representation of women is one of the Company's ongoing priorities. Diversity related measurable objectives for the Company and its controlled entities</p>

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<p>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>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) 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>Yes</p> <p>No</p>	<p>will be reviewed on an annual basis. The Remuneration and Nomination Committee is responsible, on an annual basis, for developing a long-term plan to address diversity initiatives and measures.</p> <p>A copy of the Diversity Policy is available on the Company's website at the following URL:</p> <p>http://ucwlimited.com.au/index.php?page=corporate-governance</p> <p>For the reporting period (being the financial year ended 30 June 2016), the Remuneration and Nomination Committee did not set measurable objectives regarding gender outcomes. However, it is noted that the current Diversity Policy states that the Company's measurable objectives must have regard to a balanced representation of women in the business. The Company will consider adopting measurable objectives in accordance with the Diversity Policy for the next reporting period.</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 Company has not found it necessary to disclose the process for evaluating performance. However, performance evaluation will be undertaken by the Chairman against agreed key performance indicators and reported to the Board. In the case of the Chairman, performance evaluation will be undertaken by the Board against agreed key performance indicators with the Chairman excusing himself or herself from such discussion and not participating in any vote or resolution on the issue.</p> <p>The Company confirms that a formal performance appraisal was not undertaken in the reporting period.</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>No</p>	<p>The Board and senior management team will regularly review the performance of its senior executives and address any issues that may emerge. However, given the current size of the Company, the Board does not consider that disclosure of the process of evaluating the performance of senior executives is necessary.</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider disclosing the</p>

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		process for evaluating the performance of senior management.
2. Structure the board to add value		
2.1. The board of a listed entity should:		
(a) have a nomination committee which:	Yes	<p>The Company has a Remuneration and Nomination Committee which has three members being Mr Jonathan Pager (Non-Executive Director), Mr Michael Pollak (Non-Executive Director) and Mr Gary Burg (Non-Executive Chairman). The majority of the members are considered to be independent. The chair of the Remuneration and Nomination Committee is Mr Jonathan Pager, who is considered to be independent.</p> <p>A copy of the Remuneration and Nomination Committee Charter is available on the Company's website at the following URL:</p> <p>http://ucwlimited.com.au/index.php?page=corporate-governance</p> <p>The Remuneration and Nomination Committee Charter was adopted by the Company in June 2016.</p> <p>As the Remuneration and Nomination Committee was only formed in June 2016, during the reporting period, the Remuneration and Nomination Committee did not hold any meetings.</p>
(1) has at least three members, a majority of whom are independent directors; and	Yes	
(2) is chaired by an independent director,	Yes	
and disclose:		
(3) the charter of the committee;	Yes	
(4) the members of the committee; and	Yes	
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	Yes	
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
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 in its membership.	Yes	<p>The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate to the Company and its business. The Remuneration and Nomination Committee is responsible for preparing and updating the Board Skills Matrix.</p> <p>This Board Skills Matrix comprises three parts, being an assessment of governance skill areas, an assessment of industry skills areas focusing on education, a description of personal attributes that all directors of the Board should be expected to possess and observations regarding the diversity and non-skills based Board criteria.</p> <p>A copy of the Board Skills Matrix is available on the Company's website at the following URL:</p> <p>http://ucwlimited.com.au/index.php?page=corporate-governance</p> <p>This matrix was adopted by the Company in June 2016.</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 an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Yes</p> <p>No</p> <p>Yes</p>	<p>The Company has disclosed the details of the directors in the 2016 Annual Report. The Board ensures that each director is not able to be significantly adversely influenced by the operations of the Company by ensuring a diverse range of backgrounds and ongoing involvement in companies which are not the Company.</p> <p>Information with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.</p> <p>The length of service for each director has not specifically been disclosed but their appointment dates have been provided.</p>
<p>2.4. A majority of the board of a listed entity should be independent directors.</p>	<p>Yes</p>	<p>The Board has reviewed the position and associations of each of the five directors in office and has determined that majority of the directors are currently independent – Mr Michael Pollak, Mr Jonathan Pager and Mr Peter Mobbs. In making this determination the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.</p>
<p>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 Company's current Non-Executive Chairman, Mr Gary Burg, does not satisfy the ASX Corporate Governance Principles and Recommendations definition of an independent director. However, he is not the CEO of the Company and the Board considers Mr Burg's role as Non-Executive Chairman as essential to the success of the Company at its current stage of operations.</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 perform their role as directors effectively.</p>	<p>Yes</p>	<p>Each new director of the Company will, upon appointment, participate in an induction program. This will include meeting with members of the existing Board, the Joint Company Secretaries, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.</p>
3. Promote ethical and responsible decision-making		
<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 it.</p>	<p>Yes</p>	<p>The Board is committed to the establishment and maintenance of appropriate ethical standards in order to instill confidence in both clients and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business.</p>

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		<p>A copy of the Code of Conduct is available on the Company's website at the following URL:</p> <p>http://ucwlimited.com.au/index.php?page=corporate-governance</p> <p>The Code of Conduct was adopted by the Company in June 2016.</p>
4. Safeguard integrity in financial reporting		
<p>4.1. The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</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 partner.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Company has a separately constituted Audit and Risk Committee which consists of three members being Mr Jonathan Pager (Non-Executive Director), Mr Michael Pollak (Non-Executive Director) and Mr Gary Burg (Non-Executive Chairman). All members of the Audit and Risk Committee are non-executive directors and the majority are considered independent. The chair of the Audit and Risk Committee is Mr Jonathan Pager, who is considered independent.</p> <p>A copy of the Audit and Risk Committee Charter is available on the Company's website at the following URL:</p> <p>http://ucwlimited.com.au/index.php?page=corporate-governance</p> <p>The Company has disclosed the relevant qualifications and experience of the members of the Audit and Risk Committee in the 2016 Annual Report.</p> <p>As the Audit and Risk Committee was only formed in June 2016, the Audit and Risk Committee did not hold any meetings during the reporting period.</p>
<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 the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Yes</p>	<p>The Company has received a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and comply with the appropriate accounting standards, give a true and fair view of the financial position and performance of the Company and that this opinion has been formed on the basis of a sound risk management and internal control system operating effectively.</p>
<p>4.3. A listed entity that has an AGM should ensure that its external auditor attends its AGM and is</p>	<p>Yes</p>	<p>An external auditor will be present at the AGM and will be available to answer questions from security holders relevant to the audit.</p>

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available to answer questions from security holders relevant to the audit.		
5. Make timely and balanced disclosure		
5.1. A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair and well-informed market in its securities and compliance with the continuous disclosure requirements imposed by law including the Corporations Act and the ASX Listing Rules. A copy of the Company's Continuous Disclosure Policy is available at the following URL: http://ucwlimited.com.au/index.php?page=corporate-governance
6. Respect the rights of shareholders		
6.1. A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's website, http://www.ucwlimited.com.au contains all relevant information about the Company. The Company will regularly update the website and contents therein as deemed necessary.
6.2. A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	No	The Company currently has no investor relations program in place. However, it ensures that all material information is conveyed to its investors so as to facilitate communication.
6.3. A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company has a formal Shareholders' Communications Policy. A copy of the Company's Shareholder Communications Policy is available at the following URL: http://ucwlimited.com.au/index.php?page=corporate-governance
6.4. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.
7. Recognise and manage risk		
7.1. The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and	Yes Yes Yes Yes Yes	The Company has an Audit and Risk Committee which consists of three members, being Mr Jonathan Pager (Non-Executive Director), Mr Michael Pollak (Non-Executive Director) and Mr Gary Burg (Non-Executive Chairman). All members of the Audit and Risk Committee are non-executive directors and the majority are considered independent. The Chair of the Audit and Risk Committee is Mr Jonathan Pager, who is considered independent.

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<p align="center">attendances of the members at those meetings; or</p> <p>(b) (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>As the Remuneration and Nomination Committee was only formed in June 2016, the Remuneration and Nomination Committee did not hold any meetings during the reporting period.</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>	No	<p>The Company has not deemed it necessary to separately disclose its remuneration policies.</p>
<p>8.3. A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company has a Securities Trading Policy that prohibits directors, offices and employees from entering into transactions or arrangements which limits the economic risk of participating in unvested entitlements under any equity based remuneration scheme.</p>