



iSelect Limited

Corporate Governance Statement¹

This statement explains how the Board oversees the management of iSelect's business. The Board is responsible for the overall corporate governance of iSelect, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of iSelect and oversees its business strategy including approving the strategic goals of iSelect and considering and approving an annual business plan, including a budget. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of iSelect. In conducting iSelect's business with these objectives, the Board seeks to ensure that iSelect is properly managed to protect and enhance Shareholder interests, and that iSelect, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing iSelect including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for iSelect's business and which are designed to promote the responsible management and conduct of iSelect.

The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations (**ASX Recommendations**) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, iSelect is required to provide a statement in its annual report disclosing the extent to which it has followed the ASX recommendations in the reporting period. Where iSelect does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

An overview of iSelect's main corporate governance practices are set out below.

¹ Capitalised terms and expressions used in this statement have the meaning given to them in the iSelect Limited Replacement Prospectus lodged with ASIC on 6 June 2013 (**Replacement Prospectus**).

Details of iSelect's key policies and practices and the charters for the Board and each of its committees are available at www.iselect.com.au.

1. The Board of Directors

The Board of Directors is comprised of the Executive Chairman, the Chief Executive Officer and four non-executive Directors. The Board consists of:

- Damien Waller – Executive Chairman;
- Matt McCann – Chief Executive Officer;
- Greg Camm – Non-Executive Director and Deputy Chairman;
- Pat O'Sullivan – Non-Executive Director;
- Leslie Webb – Non-Executive Director; and
- Shaun Bonètt – Non-Executive Director.

The Board considers an independent Director to be a non-executive Director who is not a member of iSelect's management and who is free of any business or other relationship that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The iSelect Board Charter sets out guidelines and thresholds of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers thresholds of materiality for the purpose of determining 'independence' on a case-by-case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation;
- In general, the Board will consider an affiliation with a business which accounts for less than 5 % of the relevant base to be immaterial for the purpose of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board; and

- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of iSelect.

The Board considers that each of Greg Camm, Leslie Webb and Shaun Bonètt is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the Director's judgement and is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Pat O'Sullivan was originally the nominated Board nominee on behalf of ninemsn and upon ninemsn's sale of its Existing Shares under the Offer, became an independent Director.

Damien Waller and Matt McCann are currently considered by the Board not to be independent. Damien Waller is the co-founder of iSelect and Executive Chairman and is also, on Listing, a substantial shareholder of iSelect. Matt McCann is currently the Chief Executive Officer of iSelect.

Accordingly as at Listing, the Board will consist of a majority of independent Directors.

The Board recognises the ASX Corporate Governance Council's recommendation that the Chairman should be an independent director and it also recognises that Damien Waller does not meet the definition of independence. However, the Board believes that Damien Waller is the most appropriate person to lead the Board as Executive Chairman and that he is able to, and does, bring considered and independent judgment to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

2. Board Charter

The Board Charter adopted by the Board sets out the responsibilities of the Board in greater detail.

It envisages that the Board should comprise Directors with a range of skills, expertise, experience and diversity which are relevant to iSelect's businesses and the Board's responsibilities.

The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

3. Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Management Committee, a Nominations Committee and a Remuneration Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of iSelect, relevant legislative and other requirements and the skills and experience of individual Directors.

Under the Board Charter, Board committee performance evaluations will occur annually.

Audit and Risk Management Committee

The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing iSelect's internal control structure and risk management systems. The Audit and Risk Management Committee also confirms the quality and reliability of the Financial Information prepared by iSelect, works with the external auditor on behalf of the Board and reviews non-audit services provided by the external auditor, to confirm they are consistent with maintaining external audit independence.

The Audit and Risk Management Committee provides advice to the Board and reports on the status and management of the risks to iSelect. The purpose of the committee's risk management process is to ensure that risks are identified, assessed and appropriately managed.

The Board has adopted a policy regarding the services that iSelect may obtain from its external auditor. It is the policy of iSelect that its external auditor:

- Must be independent of iSelect and the Directors and senior executives. To ensure this, iSelect requires a formal confirmation of independence from its external auditor on a six monthly basis; and
- May not provide services to iSelect that are, or are perceived to be, materially in conflict with the role of the external auditor. Non-audit or assurance

services that may impair, or appear to impair, the external auditor's judgement or independence are not appropriate. However, the external auditor may be permitted to provide additional services which are, or are not perceived to be, materially in conflict with the role of the auditor, if the Board or Audit and Risk Management Committee has approved those additional services. Such additional services may include financial audits, tax compliance, advice on accounting standards and due diligence in certain acquisition or sale transactions.

The Audit and Risk Management Committee must comprise, to the extent practicable given the size and composition of the Board from time to time, at least three Directors, all of whom must be nonexecutive Directors and the majority of which must be independent in accordance with the independence criteria set out in the Board Charter. A member of the Audit and Risk Management Committee, that does not chair the Board, shall be appointed the chair of the committee. The Board acknowledges the ASX Recommendation that the Audit and Risk Management Committee should be chaired by an independent director (who is not chair of the board) and in recognition of this, Pat O'Sullivan chairs the Audit and Risk Management Committee.

The Audit and Risk Management Committee meets as often as is required by the Audit and Risk Management Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Management Committee. The chair of the Audit and Risk Management Committee invites members of senior management and representatives of the external auditor to be present at meetings of the committee and seek advice from external advisors. The Audit and Risk Management Committee regularly reports to the Board about committee activities, issues and related recommendations.

The committee comprises Pat O'Sullivan (chair), Shaun Bonètt and Greg Camm.

Remuneration Committee

The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies related to the Directors and senior executives and to ensure that the remuneration policies and practices are consistent with iSelect's strategic goals and human resources objectives.

The Remuneration Committee meets as often as is required by the Remuneration Committee Charter or other policy approved by the Board to govern the operation of the Remuneration Committee. Following each meeting, the Remuneration Committee reports to the Board on any matter that should be brought to the Board's

attention and on any recommendation of the Remuneration Committee that requires Board approval.

The committee comprises Leslie Webb (chair), Shaun Bonètt and Pat O’Sullivan.

Nominations Committee

The Nominations Committee is responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice will be sought where appropriate.

The Nominations Committee meets as often as is required by the Nominations Committee Charter or other policy approved by the Board to govern the operation of the Nominations Committee. Following each meeting, the Nominations Committee reports to the Board on any matter that should be brought to the Board’s attention and on any recommendation of the Nominations Committee that requires Board approval.

The committee comprises Shaun Bonètt (chair), Leslie Webb and Damien Waller.

4. Diversity

The workforce of iSelect is made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, valued and respected by the Company.

While the Company maintains a commitment to a range of Diversity-related matters, iSelect’s key focus at present is on achieving gender diversity across the business. The proportion of female employees, executives, senior leaders and board members are outlined below:

iSelect Ltd

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Employee Category	Total	Female Component	Female %
All Employees	431	190	44 %
Board	6	0	0 %
Executive Team	7	2	29 %
Senior Leadership	23	8	35 %

iSelect currently employs 431 staff, 190 of whom are female (representing 44 % of the total). iSelect's Executive leadership team which numbers seven executives includes two females (representing 29 % of the total). iSelect's senior leadership team, numbering 23 managers, includes eight female managers (representing 35 % of the total). Of iSelect's 6 Board members, there is currently no female representation. Improvement of gender diversity on the Board is a priority for FY2014, and will be driven by upcoming measures outlined below in the form of a Diversity policy.

Given iSelect's current stage in its business lifecycle, to-date the Company has not had a formal Diversity policy in place. A draft Diversity policy is under development and will soon undergo Board review. The Company expects this Diversity policy to be approved and in place by the time iSelect publishes its FY2013 Annual Report. The policy will include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The policy will further reinforce iSelect's ongoing commitment to fostering an environment in which all employees are treated with fairness and respect, including equal access to workplace opportunities. Once approved, this policy will be made available on the Company's website and the Company will disclose in each annual report:

- the measurable objectives for achieving gender Diversity set by the Board in accordance with that policy and the progress towards achieving them; and
- the proportion of female employees in the iSelect group, women in senior executive positions and women on the Board of iSelect.

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5. Disclosure and Shareholder Communication Policies

As a company listed on ASX, iSelect is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. iSelect is required to disclose to the ASX any information concerning iSelect which is not generally available and which, if it was made available, a reasonable person would expect to have a material effect on the price or value of iSelect's securities.

The Board aims to ensure that Shareholders and stakeholders are informed of all major developments affecting iSelect's state of affairs. As such, iSelect has adopted a Disclosure Policy and Shareholder Communication Policy, which together establish procedures to ensure that Directors and senior management are aware of, and fulfil, their obligations in relation to providing timely, full and accurate disclosure of material information to iSelect's stakeholders and comply with iSelect's disclosure obligations under the Corporations Act and Listing Rules. The Disclosure Policy also sets out procedures for communicating with Shareholders, the media and the market.

iSelect is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act. Information is to be communicated to Shareholders through the lodgement of all relevant financial and other information with the ASX and continuous disclosure announcements are made available on iSelect's website, www.iselect.com.au.

6. Share Trading Policy

iSelect has adopted a Share Trading Policy which applies to iSelect and its Directors, officers, employees and senior management, including those persons having authority and responsibility for planning, directing and controlling the activities of iSelect (**Key Management Personnel**), whether directly or indirectly.

The policy is intended to explain the types of conduct in relation to dealings in Shares that is prohibited under the Corporations Act and establish procedures in relation to Directors, senior management or employees dealing in the Shares.

Subject to certain exceptions, including exceptional financial circumstances, the policy defines certain "closed periods" during which trading in Shares by the Company's directors, officers, employees and Key Management Personnel is prohibited. Those closed periods are currently defined as the following periods:

- The period commencing 6 weeks prior to the announcement of release of iSelect's half-year and annual financial results to the ASX and ending 24 hours after such release; and

- The period commencing 2 weeks prior to the Company's annual general meeting and ending 24 hours after the annual general meeting.

Outside of these periods, Directors, management and iSelect employees must receive clearance for any proposed dealing in Shares. In all instances, buying or selling Shares is not permitted at any time by any person who possesses price-sensitive information.

7. Code of Conduct

The Board recognises that it has a responsibility for setting the ethical tone and standards of the Company and iSelect's senior management recognise that they have a responsibility to implement practices that are consistent with those standards.

Given iSelect's current stage in its business lifecycle, to-date the Company has maintained certain individual policies that would form part of a formal Code of Conduct. These will be formally adopted in a Code of Conduct. A Code of Conduct has been developed and will soon undergo Board review. The Code of Conduct will include the identification and encouragement of:

- the practices necessary to maintain confidence in the Company's integrity;
- the practices necessary to take into account the Company's legal obligations; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company expects this Code of Conduct to be approved and in place by the time iSelect publishes its FY2013 Annual Report. Once approved, the Code of Conduct will be made available on the Company's website.

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