



**CREDIBLE LABS INC.**  
ARBN 621 866 813  
("Credible" or the "Company")

## **2018 Corporate Governance Statement**

Credible (the "Company") is a millennial-focused, end-to-end online consumer loan marketplace. The Company offers consumers the ability to procure student loans, personal loans, credit cards and mortgages, from multiple lenders, through its platform. Credible is a Delaware C-Corporation, headquartered in San Francisco, with Chess Depositary Interests (CDIs), which represent the beneficial interest in the underlying fully paid shares of common stock in the Company, quoted on the Australian Securities Exchange (ASX). The Company listed on the Official List of the ASX on 8 December 2017.

This 2018 Corporate Governance Statement (**Statement**) reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in this Statement are current as at 11 April 2019.

The ASX Principles have been developed to assist listed entities in meeting stakeholder expectations and promoting investor confidence. The ASX Principles are not meant to be prescriptive as the ASX recognises that different entities may legitimately adopt different governance practices, based on a range of factors, including their size, complexity, history and corporate culture. However, under the ASX Principles, if the board of a listed entity considers that a recommendation is not appropriate to its particular circumstances, it is entitled not to adopt it.

Credible's Board is committed to adopting best practice (where possible) corporate governance and administering the policies and procedures with openness, fairness and integrity, as appropriate to the structure, size and business operations of Credible. This Statement discloses Credible's adoption of the ASX Principles and where Credible has not adopted a particular recommendation, explains its reasons.

The following policies, charters and corporate governance documents are publicly available on Credible's website at [www.credible.com/investors/](http://www.credible.com/investors/):

- Board Charter
- Continuous Disclosure Policy
- Code of Conduct
- Diversity Policy
- Audit and Risk Management Committee Charter
- Insider Trading Policy
- Risk Management Policy
- Communications Policy
- Remuneration and Nomination Committee Charter

This Statement has been approved by the Board and is available on the Company's website at [www.credible.com/investors/](http://www.credible.com/investors/).

### **LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

#### **Role of board and management**

The respective roles and responsibilities of the Board and management are defined under the Board Charter, a copy of which is available on the Company's website at [www.credible.com/investors/](http://www.credible.com/investors/). There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day-to-day management of operations conferred upon officers of the Company.

### **Appointment of directors**

The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration and Nomination Committee Charter.

Under the Remuneration and Nomination Committee Charter, shareholders are required to be provided with all material information in the Committee's possession relevant to a decision on whether or not to elect or re-elect a director including, biographical details, qualifications, a statement as to whether the Board supports the nomination of the director and the degree of independence of the director and, details of any existing directorships held. Prior to any appointment of a director, background checks will be undertaken which may include checks in relation to the person's character, experience and qualification, criminal history and bankruptcy.

No new directors were appointed in 2018.

Credible has in place a written agreement with each director and senior executive setting out the terms of their appointment.

### **Company secretary**

Delaware law does not require that Credible appoint a Company Secretary.

However, during the reporting period, the Company had nominated the following persons to fulfil that role:

- Stephen Dash between 8 December 2017 – 5 March 2018;
- Jobe Danganan between 5 March 2018 and 25 July 2018;
- Jessica Rossman between 25 July 2018 - current. Jessica also serves as Credible's General Counsel and Head of Legal and Compliance.

The role of the Company Secretary is outlined in the Board Charter which sets out that the Company Secretary is directly accountable to the Board through the Chair.

### **Diversity**

Credible's Diversity Policy requires the Board to establish measurable objectives to assist the Company in achieving gender diversity and to assess the Company's progress in achieving these objectives. The Remuneration and Nomination Committee will report to the Board on the Company's progress towards achieving its measurable objectives each year.

Credible has a strong commitment to diversity and recognizes the value of attracting and retaining personnel with different backgrounds, knowledge, experiences and abilities. Credible recognizes that diversity not only encompasses gender but extends to age, ethnicity, religious or cultural background, language, marital or family status, and disability. Diversity contributes to the Company's business success and benefits individuals, clients, teams, shareholders and stakeholders.

Credible's business policies, practices and behaviours promote diversity and equal opportunity and create an environment where individual differences are valued and all personnel have the opportunity to realise their potential and contribute to the Company's success.

During 2018, Credible employed on average less than 100 employees. As a result, the Board did not set measurable gender diversity objectives for 2018. The Board has set the following measurable objective for 2019 and will report against its progress in achieving this within its 2019 Corporate Governance Statement: that a hiring and retention policy be implemented during 2019 setting out the Company's approach to achieving a diverse and inclusive workforce.

The respective proportion of men and women on the Board, in senior executive positions and across the whole organisation as at 1st March 2019:

	Female	Male
Board	1 (20%)	4 (80%)
Senior executives*	1 (14%)	6 (86%)
Whole organisation	35 (36%)	62 (64%)

\*Senior executives are the Officers and Vice Presidents of the Company.

### **Board and senior executive performance evaluations**

Under the Board Charter, the Board is required, at least once per year, with the advice and assistance of the Remuneration and Nomination Committee, to review and evaluate the performance of the Board, its Committees and individual directors against the relevant charters, corporate governance policies, and agreed goals and objectives (as applicable).

The Company has undertaken a performance evaluation of the Board, its committees and the individual directors in respect of the 2018 financial year. The performance evaluation consisted of a questionnaire completed by all directors and meetings held between the Chair and each individual director.

Under the Board Charter, the Board (with the advice and assistance of the Remuneration and Nomination Committee) is responsible for reviewing and approving the performance of the members of the executive leadership team.

A performance evaluation of senior executives was undertaken in respect of the 2018 financial year. The Board (with the assistance of the Remuneration and Nomination Committee) regularly reviews the progress of senior executives against the stated objectives and key results (i.e. key performance indicators) which align with the strategic objectives of the Company.

## **STRUCTURE THE BOARD TO ADD VALUE**

### **Remuneration and Nomination Committee**

The Board has established a Remuneration and Nomination Committee to oversee the selection, appointment and remuneration practices of the Board as well as to assist with the establishment of remuneration policies and practices for the CEO, senior managers and staff.

The Remuneration and Nomination Committee is governed by a Remuneration and Nomination Committee Charter.

The Remuneration and Nomination Committee consists of two members, Ron Suber (Chair) and Annabelle Chaplain, both of whom are independent non-executive directors. The Board is mindful of the recommendation that the Remuneration and Nomination Committee be comprised of at least three members and will continue to take this into consideration when considering future membership.

Notwithstanding this, the Board is satisfied that the current number of directors is appropriate for the Company's circumstances. The Remuneration and Nomination Committee Charter prohibits a member of the Committee from being present for discussions at a Committee meeting related to, or to vote on a matter regarding, his or her election, re-election, removal or remuneration.

The relevant qualifications and experience of the members of the committee is disclosed on the Company's website at <https://www.credible.com/investors/#Board>.

The number of meetings held during 2018 and attendance by the committee members is set out in the chart below.

Director	Board		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Ron Suber	8	8	-	-	4	4
Stephen Dash	8	8	-	-	-	-
Annabelle Chaplain	8	8	4	4	4	4
Dean Dorrell	8	7	4	4	-	-
Ray Yang	8	8	-	-	-	-

### Board skills matrix

The Company's Remuneration and Nomination Committee is responsible for regularly reviewing the size, composition and skills of the Board to ensure that the Board is able to discharge its duties and responsibilities effectively and to identify any gaps in the skills or experience of the Board.

The Board values diversity in all respects, including gender and differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem-solving skills. The Board's collective skills and experience is set out below. The Board has determined that it currently possesses the expertise required to enable to Board to drive Credible's short, medium and long term strategic objectives which are: grow closed loan volume, expand our marketing and lender partnerships, increase consumer awareness of the Credible brand, extend technology and consumer experience leadership, invest for long-term success while maintaining fiscal discipline, and adhere to the ASX listing rule requirements and to the ASX Corporate Governance Council Principles and Recommendations (where possible).

	Description	Percentage of Board
<b>Executive Leadership</b>	Track record of success as a senior executive / business leader of a company with a scale comparable to Credible	100%
<b>Financial and risk management and public company reporting</b>	Experience in, or direct responsibility for, managing or overseeing financial controls, risk management, and financial reporting of a public reporting company. Expertise in capital allocation, capital management, and fund raising	40%
<b>Technology</b>	Senior executive or Board level experience in leading or providing strategic and financial oversight to technology-based companies in rapidly evolving markets	80%
<b>Financial services and regulatory</b>	Direct experience as a manager or Board member of a regulated financial services company, including experience overseeing financial services regulatory related matters	60%
<b>Growth stage company building and development</b>	Senior executive or Board level experience in building a rapidly growing company and overseeing the associated operational, financial and governance matters associated with fast growing companies	100%

<b>Sales, marketing and distribution</b>	Senior executive experience in sales and marketing or in overseeing the sales and marketing operations of a consumer or business-to-business Internet based services company	60%
<b>Strategy and corporate development</b>	Track record of success in identifying, sourcing and executing on new business opportunities and tactical acquisitions to accelerate business growth. Experience leading the development and implementation of strategic plans either at the operational or Board level	100%
<b>Talent management and diversity</b>	Senior executive or Board level experience managing people and overseeing recruiting, retention, and compensation of senior executives and employees. Experience in building strong corporate cultures and in implementing programs designed to cultivate diversity, openness, and candor	60%
<b>Corporate governance</b>	Experience serving on corporate boards of companies with publicly listed securities where there are rigorous compliance, governance and reporting standards. Highest ethical standards and reputation for integrity	60%

### Independence of directors

The Company assesses the independence of its directors against the requirements for independence set out in the Board Charter which reflect the independence criteria set out in Box 2.3 contained in the ASX Principles.

Director independence is initially assessed upon each director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. Directors are required to disclose all actual or potential conflicts of interest on an ongoing basis.

Ron Suber and Annabelle Chaplain are the directors considered by the Board to be independent. Stephen Dash is not considered to be independent due to his executive role as CEO of the Company. Dean Dorrell is not considered independent due to his advisory role with the Company and his position as Principal and Partner of a fund which is an investor in the Company. Ray Yang is not considered independent due to his position as Partner of Marathon Venture Partners, which manages investment funds which are shareholders of the Company. The Board believes that the contributions and extensive experience of Stephen, Dean and Ray is invaluable and outweighs the lack of independence on the Board as a whole.

The length of service of each director on the Board is as follows:

- Stephen Dash: November 2012 - present (~6 years 4 months)
- Ray Yang: April 2017 - present (~1 year 11 months)
- Ron Suber: July 2017 - present (~1 year 9 months)
- Dean Dorrell: September 2015 - present (~3 years 6 months)
- Annabelle Chaplain: December 2017 – present (~1 year 3 months)

The Company has five directors and two of these are considered independent. The Board believes that the current mix of directors is appropriate for the Company's business and circumstances and is in the best interests of shareholders as a whole. Further, the Board believes that, the Board as a whole is not hindered in its ability to exercise independent view and judgement.

The Board is mindful of the recommendation that a majority of the Board should be independent directors and will continue to take this into consideration when considering the future nomination, election or re-election of directors to the Board.

The Chairman of the Board is Ron Suber who is an independent director.

The roles of Chairman and CEO are held by two separate individuals. The role of CEO is held by Stephen Dash.

### **Board induction and professional development**

Credible's Remuneration and Nomination Committee is responsible for establishing and facilitating induction for new directors and providing new directors with all such information and advice which may be considered necessary or desirable for the director to commence their appointment to the Board.

The Remuneration and Nomination Committee is also responsible for providing directors with access to continuing education for directors for the purpose of updating and maintaining their skills and knowledge to perform their roles as directors effectively. In practice this includes inviting directors to have access to and meet with members of management, attend site visits and hear from external consultants and industry professionals on matters that may assist the Board.

### **ACT ETHICALLY AND RESPONSIBLY**

Credible is committed to complying with all applicable laws and regulations and to delivering strong returns and shareholder value while also promoting shareholder and general market confidence in the Company. The Company is also committed to acting ethically and responsibly in its dealings with third parties.

Credible's Code of Conduct applies to all directors, officers, employees, authorised representatives, contractors and consultants (**Personnel**) and sets out the practices which are necessary to maintain confidence in the Company's integrity. The objectives of the Code of Conduct are to ensure that:

- High standards of corporate and individual behaviour are observed;
- Personnel are aware of their responsibilities to the Company; and
- All persons dealing with the Company, whether it be Personnel, shareholders, vendors or competitors, can be guided by the stated values and practices of the Company.

### **SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

#### **Audit and Risk Management Committee**

The Company has established an Audit and Risk Management Committee to oversee the management of financial and internal risks and is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board on these matters. The specific role and responsibilities of the committee are set out in its charter.

During 2018, the Audit and Risk Management Committee comprised two members, Annabelle Chaplain and Dean Dorrell. Both members of the committee are non-executive directors with Annabelle Chaplain being the only independent director who is also the Chair of the committee.

Whilst a majority of the members of the Audit and Risk Management Committee are not independent directors, the Board believes that the composition and skills of the members of the Audit and Risk Management Committee are appropriate for the Company.

The Board is also mindful of the recommendation that the Audit and Risk Management Committee should comprise of at least three members and will continue to take this into consideration when considering future membership. Notwithstanding this, the Board is satisfied that the current number of directors is appropriate for the Company's circumstances.

The relevant qualifications and experience of the members of the committee is disclosed on the Company's website at <https://www.credible.com/investors/#Board>.

The number of meetings held during 2018 and attendance by the committee members is set out earlier in this document.

### **CEO/CFO declarations**

Prior to the Board approving the Company's financial statements, the Board receives from the CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained, 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.

During the reporting period, a declaration from the CEO and CFO was obtained prior to the approval of the half year and annual financial statements.

### **MAKE TIMELY AND BALANCED DISCLOSURE**

Credible is committed to taking a proactive approach to continuous disclosure and creating a culture within the Company that promotes and facilitates compliance with the Company's continuous disclosure obligations. The Company has adopted a written policy to ensure compliance with their ASX Listing Rule disclosure obligations. The Company has appointed its local agent as the reporting officer and the ASX liaison officer. However, the Board retains ultimate responsibility for compliance with the Company's continuous disclosure obligations.

### **RESPECT THE RIGHTS OF SECURITY HOLDERS**

#### **Website**

Credible provides investors with comprehensive and timely access to information about itself and its governance on its website at [www.credible.com](http://www.credible.com), including copies of Board and committee charters and key corporate governance policies, copies of all material information lodged with ASX, copies of all announcements, briefings and speeches made to the market, financial data for the Company, the Company's annual reports and notices of shareholder meetings. Further details are set out in the Company's Shareholder Communication Policy.

#### **Investor relations program**

The Company has adopted a Shareholder Communications Policy for shareholders wishing to communicate with the Board.

Credible seeks to utilize numerous modes of communication, including electronic communication to ensure that its communication with shareholders is frequent, clear and accessible.

The Company encourages shareholders to submit questions or requests for information directly to the Company via the Company's website at [www.credible.com/investors/](http://www.credible.com/investors/). Credible also encourages shareholders to submit any questions related to their shareholdings in the Company to the Company's share registry with the share registry's contact details included in the Company's Shareholder Communication Policy, including details for electronic communication.

#### **Annual general meeting**

All shareholders and CDI holders are invited to attend the Company's annual meetings either in person or by representative. Shareholders have an opportunity to submit questions to the Board or the Company's external auditor.

Shareholders and CDI holders who are unable to attend general meetings in person are encouraged to participate by completing either their proxy form or CDI voting form which is included with the notice of general meeting and returning it to the Company in the manner as specified within the notice of meeting.

The Company requires its external auditor to attend its Annual General Meeting (AGM) to answer any questions from shareholders relevant to the audit and this is specifically set out in the Company's Shareholder Communication Policy.

## **RECOGNISE AND MANAGE RISK**

### **Risk management framework**

In conjunction with the Company's other corporate governance policies, Credible has adopted a Risk Management Policy which is designed to assist the Company to identify, assess, monitor and manage its risk, including any material changes to its risk profile.

The division of responsibility between the Board, Audit and Risk Management Committee and Management aims to ensure that specific responsibilities for risk management are clearly communicated and understood and are set out below:

- The Board has delegated responsibility for the day-to day oversight and management of the Company's risk profile to the Audit and Risk Management Committee;
- Management is responsible for developing and maintaining a risk management program and internal control systems which identify material risks in light of the day to day needs of the Company; and
- The Board is responsible for oversight of the overall system of internal control and provides final consideration and direction on any risk management issues.

The Risk Management Policy provides for regular reporting to the Board which supplements the Company's quality system, complaint handling processes and standard operating procedures which are all designed to address various forms of risks.

The Audit and Risk Management Committee will annually review and evaluate the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. Details regarding the charter and composition of the committee is included elsewhere in this Statement under "Audit and Risk Management Committee".

The Audit & Risk Management Committee has reviewed the Company's risk management and risk management framework in its regular meetings during 2018 and is satisfied that the Company's risk management continues to be sound.

### **Internal audit**

Given the current size and structure of the organisation, Credible has not established an internal audit function. The Company will reconsider this decision as appropriate and appoint an internal auditor if, and when, the Company considers this necessary.

Under the Audit and Risk Management Committee Charter, the Audit and Risk Management Committee is responsible for providing an independent and objective assessment to the Board regarding the adequacy, effectiveness and efficiency of the Company's risk management and internal control process.

### **Sustainability risks**

The Company's Prospectus dated 28 November 2017 outlines a number of potential economic risk factors associated with the Company's business and the industry in which it operates as well as the risks associated with an investment in the Company's Chess Depository Interests (CDIs).

Additionally, material economic risks identified by the Company are set out in the notes to financial statements included in the Company's 2018 Annual Financial Report



The Company does not consider that it has any material exposure to environmental sustainability risks.

The Company considers cyber security to be a material social sustainability risk and manages this risk through a formal risk management process which includes hiring professional and experienced security personnel, implementation of policies and procedures, continuous education and training of employees, penetration testing and improving technology infrastructure (where appropriate).

### **Remuneration policies**

The Remuneration and Nomination Committee is responsible for setting and reviewing the policies and practices of the Company regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives, separately. Details regarding the charter and composition of the committee is included elsewhere in this Statement under “Remuneration and Nomination Committee”.

Policies and practices regarding remuneration of non-executive directors, executive directors and senior executives are disclosed in the Remuneration and Nomination Committee Charter. Delaware law does not require Credible to prepare a remuneration report. Credible’s non-executive directors receive a fixed fee. Executive director remuneration is made up of a combination of both a fixed and variable reward including eligibility to participate in the Company’s employee incentive plans, and other equity-based remuneration.

Credible’s Insider Trading Policy provides that participants must not, without prior written approval by the relevant person specified in the Policy, engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities.