



Corporate Governance Statement for the year ended 30 June 2015

Purpose built for our time

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement

The Board of directors and management of ClearView Wealth Limited (ClearView, the Company or the Group) recognise the importance of, and are committed to, achieving high corporate governance standards. The Company believes that achieving high corporate governance standards adds value for stakeholders and raises regulator and investor confidence.

The Board of directors, in consultation with management, determines appropriate corporate governance practices, taking into consideration the ASX Corporate Governance Council Principles and Recommendations, Australian Standards, regulatory requirements of the Australian Securities and Investments Commission (ASIC) and Prudential Standards and Practice Guides of the Australian Prudential Regulation Authority (APRA). ClearView owns an APRA-regulated life insurance company, ClearView Life Assurance Limited, and is a registered Non Operating Holding Company (NOHC), both of which are subject to regulatory requirements prescribed under the Life Insurance Act 1995. ClearView also owns an APRA-regulated Registrable Superannuation Entity Licensee, ClearView Life Nominees Pty Limited, which is subject to regulatory requirements prescribed under the Superannuation Industry (Supervision) Act 1993.

As part of the governance framework, the Board and management regularly review the Group's policies and practices to ensure that they meet the interests of stakeholders and that the Group continues to maintain and improve its governance standards.

The key Group charters and policies are available on the ClearView website at www.clearview.com.au under the Shareholders tab. These documents are updated and reviewed regularly by the Board recognising that corporate governance is about continuous improvement.

This Corporate Governance Statement reports against the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and has been approved by the Board.

Principle 1 – Lay solid foundations for management and oversight

Recommendation 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.

The Board is accountable to shareholders and responsible for the performance, risk management and overall governance of ClearView. In practice, this is achieved through formal delegation to the Managing Director for day-to-day management of the Group, and to its Board Committees for detailed consideration of matters and making recommendations. The Board currently has three committees – the Board Audit Committee, the Board Risk and Compliance Committee and the Nomination and Remuneration Committee.

Key Responsibilities of the Board

The Board's key responsibilities are outlined in the Board Charter, available on the ClearView website under the Shareholders tab. The primary functions of the Board include:

- Strategic and financial performance – determine strategic objectives, capital management and the Company's dividend policy, and approve all accounting policies, financial reports and material external communications by the Group;
- Executive management – approve the appointment and where appropriate the termination and remuneration of the Managing Director and senior executives;
- Audit and risk management – ensure effective audit, risk management and compliance systems are in place and manage its material business risks;
- Strategic planning – oversee the development, monitoring and execution of ClearView's corporate strategy;
- Corporate governance – ensure the Company has effective corporate governance policies in place, including continuous disclosure standards;

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

- Delegations – approve and monitor delegations of authority at Board and management levels;
- Human resources and remuneration – actively oversee the design of the Group’s remuneration system and monitor its effectiveness; and
- Performance evaluation and Board renewal – review and evaluate the performance of the Board, each Board Committee and each individual director.

Board Size and Composition

The Board, with assistance from the Nomination and Remuneration Committee, determines the size and composition of the Board, subject to the needs of the business, the Company’s Constitution and regulatory requirements. Based on the current Board Charter, the Board must have a minimum of five directors at all times, a majority of independent directors (as defined by the ASX Corporate Governance Council Principles and Recommendations), and a majority of directors who ordinarily reside in Australia.

Meetings of the Board

In accordance with the Board Charter, the Board meets at least six times a year and more frequently if required. During the last financial year, the Board held 10 Board meetings.

The number of meetings attended by each director is disclosed in the Directors’ Report on page 13 of the Annual Report.

Board Committees

The Board has established Committees to assist in the execution of its duties and responsibilities, and to allow matters to be discussed and considered in greater detail. The Board Committees structure also enables the Board to utilise the skills and experience of ClearView’s directors to its best advantage.

Current Committees of the Board are the Nomination and Remuneration Committee, the Board Audit Committee and the Board Risk and Compliance Committee. Management regularly attends Committee meetings at the invitation of the relevant Committee. Each Committee has its own charter, which must be approved by the Board, outlining the composition, responsibilities and administration of the Committee. Minutes of Committee meetings are prepared by the Company Secretary and provided to the Board. The Chairman of each Committee reports on matters raised and outcomes of each Committee meeting to the Board.

Membership of each Committee as at 30 June 2015 is set out in the table below.

Committee	Nomination and Remuneration	Board Audit	Board Risk and Compliance
Gary Weiss (Independent)	X	X	X
Andrew Sneddon (Independent)	X	X	X
Bruce Edwards (Independent)	Chairman	Chairman	Chairman
David Brown (Independent)		X	X
Nathanial Thomson	X		

Details regarding the experience and tenure of the Committee members and their attendances at Committee meetings are included in the Directors’ Report on pages 9 to 13 of the Annual Report.

Access to Information and Independent Advice

All directors are given unrestricted access to all records and information relating to ClearView and are encouraged to speak with members of senior management at any time to request relevant information. Directors are also entitled to seek independent advice or information concerning any aspect of ClearView at the Company’s expense. However, prior approval from the Chairman is required, which is not to be withheld unreasonably.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (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.

Board Appointments

Recommendations and nominations for new directors are made by the Nomination and Remuneration Committee and considered and approved by the Board. When the Nomination and Remuneration Committee and the Board consider that a suitable candidate has been found, appropriate background checks are undertaken as to the person's character, experience, education, criminal record and bankruptcy history. A director is appointed by the Board but must stand for election by shareholders at the next Annual General Meeting (AGM). The following information about a candidate standing for election or re-election as a director is provided to shareholders in the AGM Notice of Meeting to enable them to make an informed decision on whether or not to re-elect the candidate:

- date of appointment and tenure;
- profession and employment history;
- other material directorships held;
- a statement as to whether or not the Board considers that the candidate will qualify as an independent director; and
- the Board's recommendation as to whether or not to re-elect the candidate.

Meeting the "Fit and Proper" Test

ClearView has put in place policies and comprehensive measures to ensure that individuals who are appointed to senior positions, including Board positions, have the appropriate fitness and propriety to effectively discharge their responsibilities and duties in accordance with the APRA Prudential Framework.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

On appointment, new directors receive a formal letter of appointment, which sets out their duties, terms and conditions of appointment, and remuneration. The Company also enters into Deeds of Indemnity with each director, and the Company Secretaries.

Written employment contracts (Non-ClearView Enterprise Agreements) are in place with each member of the senior executive team.

Recommendation 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.

As provided in the Board Charter, the Company Secretaries are accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Recommendation 1.5

A listed entity should:

- (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 objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (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:
 - (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
 - (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.

Diversity

ClearView aspires to develop and foster a strong culture of diversity to enable a workplace that is fair and inclusive, in order to attract the best people to do the job and where every employee is respected for who they are. The diversity policy addresses the ASX Corporate Governance Principles and Recommendations in relation to diversity and sets out measurable diversity targets.

The policy has been communicated to ClearView employees to promote awareness and proactive management practices regarding workplace diversity and inclusion. ClearView embraces diversity, including differences in ethnic background, gender, age, sexual orientation, religion and disability.

ClearView's approach to diversity is underpinned by key principles including:

- that a diverse Board, senior management team and workforce is critical to the delivery of ClearView's strategy.
- a commitment to the promotion of a culture of diversity is necessary to achieve success.
- the workforce selection processes are the foundation of achieving meaningful diversity.
- the development of structured programs and the implementation of such programs at appropriate career stages for employees will support ClearView's diversity aspirations.
- effective measurement and reporting in respect of diversity will allow the Board to actively recruit and manage a diverse workplace.

The Board has committed to measurable diversity targets which include:

- at least one female director should be on the Board at all times.
- the proportion of women in leadership roles should be at least 33%.
- female representation in the total workforce should meet or exceed industry benchmarks (to be obtained from the Workplace Gender Equality Agency (financial services sector) on an annual basis).

As at 30 June 2015, the proportion of women employed by ClearView was as follows:

- Board of directors: one director;
- leadership roles: 39%; and
- total ClearView workforce: 55%.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

The Workplace Gender Equality Agency (WGEA) reported in February 2015 that the Financial Services industry average for female participation (total workforce) was 46.8% and ClearView has exceeded this benchmark.

The Board of ClearView Life Nominees Pty Limited, ClearView's subsidiary Superannuation Trustee company, currently has a majority of independent female directors (three out of five directors) and a female Chairperson.

Recommendation 1.6

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Performance Evaluation

Annually, the Board, with the advice and assistance of the Chairman and the Nomination and Remuneration Committee, evaluates the performance of the Board, each Board Committee and each individual director against the relevant charters and policies, corporate governance standards, and agreed goals and objectives. Following each evaluation, the Board considers how to improve its performance. The Board agrees and sets the goals and objectives each year and, if necessary, amends the relevant charters and policies accordingly. The Boards of ClearView Life Assurance Limited and ClearView Life Nominees Pty Limited also annually conduct Board, Committee and director evaluations in accordance with the process described above.

In 2015, a performance evaluation of the Board, its Committees and directors, was undertaken in accordance with the process described in the previous paragraph.

Recommendation 1.7

A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Performance evaluation of the senior management team

Annually, the Board, assisted by the Nomination and Remuneration Committee, monitors and evaluates the performance of senior executives and the implementation of their objectives against measurable and qualitative targets. The Board also reviews and approves the objectives and targets of senior executives set annually.

In 2015, a performance evaluation of senior executives was undertaken in accordance with the process described in the previous paragraph.

Principle 2 – Structure the Board to add value

Recommendation 2.1

The board of a listed entity should:

- (a) have a nomination committee which:
 - (1) has at least three members, a majority of whom are independent directors; and
 - (2) is chaired by an independent director,
- and disclose:

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

- (3) the charter of the committee;
 - (4) the members of the committee; and
 - (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
- (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.

Nomination and Remuneration Committee

ClearView has established a combined Nomination and Remuneration Committee (NRC) that advises the Board on matters related to the appointment, succession and remuneration of directors and senior executives, the remuneration policy for employees, as well as the composition and performance of the Board. The NRC currently has four members, all of whom are non-executive directors. The Chairman of this Committee is an independent director and the Committee has a majority of independent directors. The NRC meets at least annually in accordance with the Board approved charter.

Specific responsibilities of the NRC are set out in the NRC Charter that is available on the ClearView website under the Shareholders tab.

Information concerning each director's experience, skills and qualifications, as well as the record of their meeting attendances is disclosed on pages 9 to 13 of the Directors' Report in the Annual Report.

Recommendation 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.

The Board comprises a mix of executive and non-executive directors, who possess a broad range of appropriate skills, expertise and experience relevant to the Company, its subsidiaries and its industry. There are currently nine directors and one alternate director on the Board, as outlined under Recommendation 2.3 below. The directors collectively possess a combination of skills and experience in the following business areas:

- **Executive leadership**
 - Experience as a director or senior executive advising the board;
 - Current or previous experience as a non-executive director on one or more other listed entities.
- **Financial acumen**
 - Qualification and/or senior executive or equivalent experience in financial reporting and accounting.
- **Actuarial experience**
 - Qualification and experience as an actuary.
- **Financial advice industry experience**
 - Qualification, directorship and/or senior executive experience in the financial advice industry.
- **Wealth management and superannuation experience**
 - Directorship and/or senior executive experience in the wealth management and/or superannuation industry.
- **Life insurance experience**
 - Directorship and/or senior executive experience in the life insurance industry.
- **Governance**
 - Directorship and/or senior executive experience with an organisation that is heavily regulated and has a strong focus on governance issues.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

- **Mergers and acquisitions**

- Directorship and/or senior executive experience working directly on successful mergers and/or acquisitions.

- **Strategy/Risk**

- Directorship and/or senior executive experience developing and implementing a successful strategy and resilient risk management framework.

Recommendation 2.3

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (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
- (c) the length of service of each director.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Criteria for an Independent Director

As defined in the ASX Corporate Governance Principles and Recommendations, an independent director is a non-executive director who is independent of management and free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity's shareholders generally.

The Board regularly assesses whether a non-executive director is "independent" in accordance with the appropriate criteria (including the ASX Corporate Governance Principles and Recommendations and APRA Prudential Standards) and the Board Charter, available on the ClearView website under the Shareholders tab.

ClearView has a majority of independent directors, with five independent non-executive directors:

- Dr Gary Weiss (Chairman) – appointed 22 October 2012 (two year and ten months tenure);
- Andrew Sneddon – appointed 3 December 2013 (one year and nine months tenure);
- Bruce Edwards – appointed 22 October 2012 (two year and ten months tenure);
- David Brown – appointed 22 October 2012 (two year and ten months tenure);
- Gary Burg - (appointed 22 October 2012 (two year and ten months tenure); and

three non-independent non-executive directors:

- Jennifer Newmarch (alternate director Michael Lukin) – appointed 1 July 2013 (two year and two months tenure);
- Michael Alscher – appointed 1 July 2013 (two year and two months tenure);
- Nathaniel Thomson – appointed 22 October 2012 (two year and ten months tenure); and

one executive director:

- Simon Swanson – appointed 26 March 2010 (five year and five months tenure).

For details of director shareholdings in ClearView, refer to page 14 of the Directors' Report in the Annual Report.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Conflicts of Interest

Directors must, where possible, avoid conflicts of interest, except in those circumstances permitted by the Corporations Act 2001. Directors are required to immediately disclose any material personal interest in matters considered by the Board and, unless the Board resolves otherwise, must not participate in Board discussion or vote on the matter.

Recommendation 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.

The Chairman

The Chairman of the Board is an independent non-executive director appointed by the directors. The roles of the Chairman and the Managing Director are separate. Responsibilities of the Chairman are set out in the Board Charter, available on the ClearView website under the Shareholders tab.

Recommendation 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.

ClearView has in place an induction program for new directors, which includes provision of an induction pack, meetings with the Chairman, other directors, the Managing Director and senior management.

Ongoing director education is provided via regular correspondence as well as management presentations on industry and regulatory developments, and ClearView business functions and activities. Directors are also offered access to external training on an ad hoc basis at ClearView's expense.

Principle 3 – Act ethically and responsibly

Recommendation 3.1

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) disclose that code or a summary of it.

Code of Conduct

ClearView has adopted a Code of Conduct (the Code) which articulates the standards of ethical, honest and law-abiding behaviour expected by ClearView's directors and employees. The Code undergoes annual review by the Board and is available on ClearView's website under the Shareholders tab.

Principle 4 – Safeguard integrity in corporate reporting

Recommendation 4.1

The board of a listed entity should:

- (a) have an audit committee which:
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

(2) is chaired by an independent director, who is not the chair of the board, and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(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

(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.

Board Audit Committee

The Board Audit Committee (BAC) assists the Board by providing an objective non-executive review of the effectiveness of the company's external financial reporting, and the internal control environment in relation to financial management and reporting. This includes obtaining an understanding of the financial, tax and accounting risks which the Group faces. The BAC is also responsible for oversight of accounting policies, professional accounting requirements, internal and external audit, all APRA statutory reporting requirements and the appointment and removal of the internal and external auditors.

Pursuant to APRA Prudential Standard CPS 510 Governance (CPS 510), APRA-regulated Life Insurance (ClearView Life Assurance Limited) and NOHC Boards were required to form separate Board Audit Committees and Board Risk Committees, effective 1 January 2015. On 1 January 2015 the previous Board Audit, Risk and Compliance Committee (BARCC) was dissolved and the BAC and the Board Risk and Compliance Committee (BRCC) were formed. Existing committee memberships and chairs on the new committees were retained.

The BAC currently has four members, all of whom are non-executive directors. The Chairman of the BAC is an independent director and the BAC has a majority of independent directors. The Chairman of the BAC is not the Chairman of the Board. The BAC meets at least three times a year in accordance with its Board approved Charter.

Specific responsibilities of the BAC are set out in the BAC Charter which is available on the ClearView website under the Shareholders tab.

Information concerning each director's experience, skills and qualifications, as well as the record of their meeting attendances is disclosed on pages 9 to 13 of the Directors' Report in the Annual Report.

External Auditor

The BAC invites the external auditor to attend all Committee meetings. The external auditor can also meet privately with the whole Committee, any individual director or any ClearView employee at their request. The engagement partner of Deloitte Touche Tohmatsu (Deloitte) was appointed as the external auditor of ClearView Wealth Limited in 2012. The partner managing the audit will be rotated after a maximum of five years, in line with the Corporations Act 2001, and Deloitte's rotation policy. The BAC monitors the independence of the external auditor, who also confirms their independence to the BAC and the Board.

Recommendation 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.

The Managing Director and the Chief Financial Officer (CFO), taking into account internal and external audit opinions and confirmation from key employees, have declared to the Board that to the best of their knowledge and belief, in their opinion,

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

in FY2015 the financial records have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of ClearView, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Deloitte, ClearView's external auditor, is required to attend the Company's AGM each year and security holders are given a reasonable opportunity to ask questions relevant to the conduct of the audit.

Principle 5 – Make timely and balanced disclosure

Recommendation 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.

ClearView is committed to providing timely and relevant information about its business operations to all security holders and potential investors to enable them to make informed decisions about their investments. ClearView strives to ensure that all disclosures are not only made in a timely manner but are factual, do not omit material information, and are expressed in a clear and objective manner to allow an investor to assess the impact of the information when making investment decisions.

ClearView's approach to communicating with security holders and the market is set out in its Continuous Disclosure and Market Communications Policy, which reflects its obligations under the ASX Listing Rules and the Corporations Act. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and disclosing material information to the ASX. Any material information, once first disclosed to the ASX, is then published on the ClearView website under the Shareholders tab.

Principle 6 – Respect the rights of shareholders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

ClearView provides information about itself and its governance framework on its website, www.clearview.com.au, under the Shareholders tab. Information available includes, inter alia:

- ClearView's strategy;
- financial reports;
- presentations and webcasts;
- ASX and media releases;
- the AGM;
- contact information;
- dividend information;
- the board and senior executives;
- relevant governance policies and charters; and
- the share price.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Recommendations 6.2 and 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Part of ClearView's commitment to high governance standards is its engagement and communication with security holders.

ClearView's security holders are based not only in Australia but also overseas, including the United States, United Kingdom and South Africa. The Board, the Managing Director, the CFO and the Company Secretary use a range of formal and informal communication channels to engage and openly communicate with security holders.

These channels include:

- the AGM and any other convened general meeting;
- performance and business updates released to the ASX;
- market and media releases;
- investor roadshows both in Australia and overseas to discuss business performance based on publically released information;
- recorded teleconferences that are available via, and archived on, ClearView's website;
- attendances at investor conferences; and
- meetings and luncheons with the Chairman and/or directors.

Security holders can contact ClearView at any time through the Investor Relations section on the ClearView website under the Investor Contact tab, or via mail. Security holder feedback is escalated to and considered by the Board where appropriate.

ClearView encourages all shareholders to attend, participate and vote at its AGM. The Notice of Meeting for the AGM is accompanied by explanatory notes on the items of business to assist shareholders in understanding the business that will be considered at the meeting. As required by the Corporations Act 2001, the Board requires the Company's external auditor to attend the meeting and to be available to answer security holder questions about the conduct of the audit.

Security holders are given the opportunity to ask questions on the annual financial statements and prior to voting on every resolution at the AGM. Security holders vote on important matters affecting ClearView, which can include:

- re-election of directors;
- remuneration arrangements for directors and/or the Managing Director; and
- changes to the Constitution.

Security holders can appoint proxies or corporate representatives manually, online or via mobile application through ClearView's share registry, Computershare. They can direct their votes manually, online or through mobile application via a proxy prior to the AGM, or vote at the actual AGM. The Notice of Meeting that all security holders receive describes the voting process in detail.

As outlined under Recommendation 5.1, the Continuous Disclosure and Market Communications Policy is available on the ClearView website under the Shareholders tab.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Recommendation 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.

The Board aims to ensure that shareholders are informed of all material information necessary to assess the performance of the Group. Information is communicated to the shareholders through:

- ASX announcements and market releases;
- the Company's website, on which all investor documents are published;
- the annual and interim reports; and
- the AGM and any other shareholder meetings.

ClearView, through its share registry, Computershare, provides its shareholders with the option to receive copies of annual reports and notices of meeting electronically. ClearView utilises the Investor Contact section of the ClearView website to provide investors with the option of receiving company announcements via email by completing and submitting an electronic form to the ClearView investor relations email address: ir@clearview.com.au.

Principle 7 – Recognise and manage risk

Recommendation 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
 - (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
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Board Risk and Compliance Committee

The Board Risk and Compliance Committee (BRCC) assists the Board by providing objective non-executive oversight of the implementation and operation of the Group's risk management framework and compliance framework. The Committee assists the Board in formulating ClearView's risk appetite statement, advises on the Board-approved Risk Management Strategy (RMS) and otherwise assists the Board in fulfilling the risk management and compliance responsibilities of ClearView under APRA Prudential requirements.

As noted in relation to Recommendation 4.1 above, ClearView, as an APRA-regulated Life Insurance company and NOHC, was required to form separate Board Audit Committees and Board Risk Committees, effective 1 January 2015. Membership of the BAC and the BRCC is the same.

The BRCC meets at least three times a year in accordance with its Board approved Charter.

Specific responsibilities of the BRCC are outlined in the BRCC Charter, which is available on the ClearView website www.clearview.com.au under the Shareholders tab.

Information concerning each director's experience, skills and qualifications, as well as the record of their meeting attendances is disclosed on pages 9 to 13 of the Directors' Report in the Annual Report.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

Risk Management Strategy, Roles and Responsibilities

Risk management is an integral part of the Company's management, procedures and processes. The Board has adopted a formal Risk Management Strategy (RMS) and structured Risk Management Framework (RMF) to identify and manage the key risks that have the potential to significantly impact its business operations, capital, and shareholder or client entitlements. The RMS and RMF are fundamental to the business decisions of the Company, including resource allocation decisions and prioritisation of activities, and undergo ongoing Board and management review with a formal review being undertaken annually.

The BAC and the BRCC, on behalf of the Board, monitor the operation of the RMF and facilitate review of the key processes and procedures underlying the RMF. Management is responsible for designing and implementing the risk management and internal control systems and reporting on the effectiveness of the risk management controls to the BAC, the BRCC and Board.

The RMS and RMF consider the key stakeholders in the Company beyond the shareholders including:

- the benefit, security and expectations of policyholders and investment product and advice clients;
- risk impacts on and from ClearView's staff, distribution partners, and suppliers and counterparties; and
- requirements and objectives of the Company's regulators.

The RMS specifies the Board's risk appetite and tolerance standard which guides the Company in its decisions as to the acceptance, management and rejection of risks. A risk register that identifies the key risks of the Company by type, impact and likelihood, and indicates the key processes and mechanisms to control, mitigate or transfer those risks within the allowed tolerances is maintained and reviewed on an ongoing basis. The RMS and RMF include appropriate monitoring mechanisms.

ClearView's most recent RMS was approved in December 2014 and lodged with APRA, in accordance with APRA Prudential Standard CPS 220 Risk Management. The RMS is reviewed and approved on an annual basis by the ClearView Board and each of the subsidiary boards.

In accordance with APRA requirements, as part of the RMS and RMF, the Company has adopted an Internal Capital Adequacy Assessment Process (ICAAP) with respect to supporting the residual risk exposures and the ongoing capital needs of the Company.

Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Internal Audit

ClearView's Internal Audit (IA) function is carried out by KPMG Australia and is a material outsourced arrangement. The IA function is independent of the external auditor. The role of IA is to monitor key risks in accordance with the internal audit plan and report to the BAC and the BRCC (if required) as part of the risk assessment process. The annual IA plan, IA engagement and overall effectiveness of IA activities is overseen by the BAC, and IA is required to present to each meeting of the BAC.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

As outlined under Recommendation 7.2, risk management is integral to ClearView. To ensure the appropriate management of the risks which ClearView faces, the Board has adopted a formal Risk Management Strategy (RMS) and Risk Management Framework (RMF). Within the RMF, ClearView operates a “risk management model” that identifies, assesses, controls, monitors, reports, responds and tests risks that impact the business operations, employees, customers, capital and shareholders. The material risks are documented in the ClearView Material Risk Register which forms part of the RMS. Whilst ClearView faces certain environmental, economic and social sustainability risks, the organisation does not consider itself to have such emerging risks that it is unable to appropriately manage within its business model. Currently, these risks do not substantively impact the entity’s ability to create or preserve value for security holders over the short, medium or long term.

A more detailed discussion on the Company’s key risks and how they are monitored is set out in Note 5 to the Financial Statements on pages 89 to 92 of the Annual Report.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee 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

(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

(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.

As outlined under Recommendations 1.1 and 2.1, ClearView has established a combined Nomination and Remuneration Committee (NRC). Refer to Recommendations 1.1 and 2.1 for details of Committee membership, independence, Chairmanship, the Charter and meeting attendance.

Specific remuneration responsibilities of the Committee are set out in the NRC Charter that is available on the ClearView website under the Shareholders tab.

Information concerning each director’s experience, skills and qualifications, as well as the record of their meeting attendances is disclosed on pages 9 to 13 of the Directors’ Report in the Annual Report.

Recommendation 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.

There is no direct link between non-executive directors’ remuneration and the annual results of ClearView Wealth Limited or its related entities. ClearView non-executive director remuneration is based on the role of the individual director (i.e. the Chairman receives an additional fee), their membership on Board Committees, and directorships of other ClearView entities.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Non-executive directors of the ClearView Board will be remunerated by way of one base fee (inclusive of the “Superannuation Guarantee Contribution” (SGC) payment) that is based on market rates for comparable companies for the time, commitment and responsibilities undertaken by non-executive directors.

The level of remuneration for each non-executive director will be set by the NRC, within the total annual remuneration limits approved by the Company and the shareholders at a general meeting. Any increase to individual non-executive director remuneration must be approved by the Board on the recommendation of the NRC after engaging and taking advice, where appropriate.

Additional fees may be paid for participation on Board Committees; however, the total fees paid to non-executive directors, including fees paid for participation on Board Committees must be within the limits approved by the Company and shareholders.

All reasonable out-of-pocket expenses incurred in connection with a director’s duties on behalf of ClearView will be reimbursed. Non-executive directors are not entitled to participate in equity schemes of the Company, and are not entitled to receive performance-based bonuses. Non-executive directors are not entitled to retirement benefits other than in respect of any superannuation entitlements.

ClearView employee remuneration is based on experience, capability and responsibility, as well as performance targets, on both a Company and individual level. Both senior executives and some select employees participate in the ClearView Executive Share Plan (ESP), an ownership-based compensation scheme. The objective of the ESP is to encourage participants to focus on the long term results of the Company.

For further details in relation to director and senior executive remuneration, including the ESP, refer to the Remuneration Report on pages 42 to 57 of the Annual Report.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (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
- (b) disclose that policy or a summary of it.

ClearView’s Securities Trading Policy prohibits all ESP participant employees from entering into any transaction to hedge their exposure to ClearView ESP Securities. This is affirmed in ClearView’s Remuneration Policy.

Securities Trading Policy

The Securities Trading Policy has been established to govern trading in securities by its directors, officers and employees. This Policy is designed to raise awareness and to prevent potential insider trading offences, either in substance or appearance. All directors, officers and employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the individual’s personal interests and those of the Group and its clients.

All directors, officers and employees are prohibited from trading in the Company’s securities at any time if they are in possession of inside information (as defined in the Corporations Act) regarding the Group and its securities, or any other listed company and its securities which are included on an excluded list.

Directors, officers and employees may only trade in Group securities if all of the following requirements are met:

- they are not in possession of inside information;
- a trading Prohibited Period is not in force;
- they have followed the notice procedure set out in the Policy; and
- the relevant approving officer has given written consent to trade.

ClearView Wealth Limited

ABN 83 106 248 248

Corporate Governance Statement (continued)

Directors and employees are permitted to trade in ClearView Securities throughout the year, outside of the two “Prohibited Periods”, explained below:

The first Prohibited Period is termed a ‘closed period’. These are fixed periods during the year in the lead up to half and full year financial reporting. The bi-annual Closed Periods generally commence from 23 June and 24 December until the next ASX trading day following the announcement of interim/final results to the market, which will generally be 8-9 weeks after the Closed Period commencement date. The ClearView Board reserves the right to vary the timing of the Closed Periods by notifying employees of changes to this Policy at any time.

The second category of Prohibited Period comprises of ‘additional closed periods’ when directors and employees are prohibited from trading in ClearView Securities and which are imposed by the Board from time to time when it is considering matters which may include inside information and/or matters which are subject to ASX Listing Rule 3.1A.

All directors, officers and employees must give prior written notification of their intention to trade in ClearView securities, and gain approval in accordance with the table set out on the following page.

Director/Employee	Designated approving officer
Chairman	MD and CFO
Managing Director	Chairman
All other directors	MD and CFO
All other employees	MD or CFO

Key Management Personnel and, where relevant, their direct reports are required to complete annual attestations of their compliance with the Policy.

The Securities Trading Policy undergoes annual review by the Board and is available on ClearView’s website under the Shareholders tab.

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