

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

FirstWave Cloud Technology Limited

ABN / ARBN:

35 144 733 595

Financial year ended:

30 June 2018

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.firstwavecloud.com/corporate-governance.html>

The Corporate Governance Statement is accurate and up to date as at 30 August 2018 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 30 August 2018

Name of Director or Secretary authorising
lodgement:


Gai Lynne Stephens
Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of our diversity policy or a summary of it: ☒ at https://www.firstwavecloud.com/corporate-governance.html ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
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: (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at https://www.firstwavecloud.com/corporate-governance.html ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] N/A ... the fact that we do not have a nomination committee and the processes we employ 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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 fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
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.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at https://www.firstwavecloud.com/corporate-governance.html ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
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 fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at https://www.firstwavecloud.com/about-firstwave.html	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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 fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at https://www.firstwavecloud.com/corporate-governance.html ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at https://www.firstwavecloud.com/corporate-governance.html ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location] [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☐ in our Corporate Governance Statement <u>OR</u> ☒ at https://www.firstwavecloud.com/news in the Full Year 2018 Accounts	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement OR ☒ at https://www.firstwavecloud.com/corporate-governance.html	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement

Corporate governance statement

This report sets out the FirstWave Cloud Technology Limited (“FirstWave” or “the Company”) annual statement on its corporate governance framework for the year ended 30 June 2018. The Board considers that FirstWave corporate governance framework and practices continue to comply with the requirements of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations, 3rd Edition (Principles and Recommendations) and meet the interests of our shareholders.

Principle 1: Lay solid foundations for management and oversight

The Board and Management

The Board has adopted a formal Board Charter which sets out the roles, responsibilities, structure and composition of the Board of Directors of FirstWave. The matters which require approval by the Board are included. A copy of the Board Charter is available on the Corporate Governance section of the FirstWave website at <https://www.firstwavecloud.com/corporate-governance.html>.

By providing the overall strategic direction for FirstWave, the Board ensures that FirstWave activities comply with its Constitution, and with all legal and regulatory requirements, and defines the powers to be reserved to the Board and those that are delegated to its committees and management. A copy of the Constitution is available on the FirstWave website at <https://www.firstwavecloud.com/corporate-governance.html>.

A summary of duties for the Chairman and the Chief Executive Officer are reviewed and agreed by the Board. The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of FirstWave.

Director Appointments

When filling a casual vacancy, the Board undertakes a formal process to identify and assess potential candidates. Reference and probity checks are undertaken by the Company.

At the first Annual General Meeting following the appointment of a director they stand for election. At that time their experience and qualifications are provided to shareholders to enable them to elect or not to elect the new director.

A formal letter of appointment is issued to all new directors setting out their terms of appointment.

New directors participate in a director induction programme to ensure that they are able to participate immediately in board decision making.

Directors have the opportunity to attend conferences and other development opportunities to ensure that they remain up to date and can perform their role as directors effectively.

The Company Secretary has direct accountability to the Board through the Chairman on all matters associated with the proper functioning of the Board.

Diversity

FirstWave is committed to creating a diverse workplace that is fair and flexible, promotes personal and professional growth and enables employees to enhance their contribution to FirstWave by drawing from their different backgrounds, beliefs and experiences. The Board has adopted a Diversity Policy which requires FirstWave to embrace differences in backgrounds, qualifications and experiences and also differences in approach and viewpoints. It includes characteristics such as gender, age, ethnicity, cultural background,

language, disability and other areas of potential difference.

The Diversity Policy also requires the setting of specific gender diversity objectives and a range of measures to determine achievement of those objectives. The objectives and measures are assessed annually by the Board and the Remuneration and Nomination Committee.

The gender diversity targets are as follows:

	Objective %	Actual at 2018 %
Percentage of women on the Board	25	0
Percentage of women in executive positions	30	20
Percentage of women in the organisation	40	24

Whilst FirstWave is striving toward improved gender balance, our low attrition rates mean that the above objectives may take a number of years to achieve. Additionally, the nature of our industry sees a predominantly larger pool of male candidates from which to source the best people.

FirstWave achieves diversity in a different way. FirstWave is very culturally diverse with more than 70% of our employees being born outside of Australia. Cultural diversity makes business sense for FirstWave as the relevant talent pool extends well beyond Australian born candidates.

Principle 2: Structure the Board to add value

Remuneration and Nomination Committee

The Board has established a Remuneration and Nomination Committee which consists of a majority of Independent Non-Executive Directors including Mr Paul MacRae as the Committee Chairman and Mr Drew Kelton. Mr Scott Lidgett is also a member of the Committee. The Board's Remuneration and Nomination Committee, amongst other things, is to ensure that the Board is comprised of individuals with an appropriate range of skills, experience, expertise, and that the Board benefits from diversity of gender.

Members of the Remuneration and Nomination Committee are:

- Paul MacRae (Committee Chairman)
- Drew Kelton; and
- Scott Lidgett.

All members of the Committee are Non-Executive Directors and Paul MacRae and Drew Kelton are independent.

The Committee operates in accordance with its Charter, which is available on the FirstWave website at <https://www.firstwavecloud.com/corporate-governance.html>.

The Remuneration and Nomination Committee met four times in the 2018 financial year. The attendance of the Remuneration Committee members is as follows:

Committee Member	Number of Meetings	Number of Meetings Attended
Paul MacRae	4	4
Drew Kelton	4	4
Scott Lidgett	4	4

Skills Matrix

The FirstWave Board have developed a Skills Matrix which sets out the mix of skills necessary to achieve its strategic and operational priorities of the Company. When filling board positions candidates are assessed against the skill set outlined below.

The current mix of directors provides coverage of all the skills identified.

Strategic Priorities of FCT	Skills Matrix	
	Functional	Industry Specialisation/ Subject matter expertise
Build, Deploy and Market SaaS model for global distribution	Technical Expertise	Cyber security & Domain Expertise
	Marketing	Telecommunications
	General Business Management and Entrepreneurship	Engineering & Networks
	Highly Global & competitive & Dynamic Market Experience	- Information Technology - Digital Service & Operational Delivery
Rapidly Grow business – specifically in Asia and North America	Operational leadership in global organisations – particularly in Asia and North America	Capital Raising and Capital Management
	Strategic Leadership - Global	Building Research & Development Teams
	Management of Strategic Relationships with large Global Organisations	
	Mergers/Acquisitions and other strategic partnerships	
Other	CEO Level Experience	Accounting, Finance & Audit
	Other NED Experience	Legal, Governance, Risk & Compliance
	Recognised Education, for example, GAICD	Human Resources & Remuneration

Independent Directors

The Board is composed of six Non-Executive Directors. Four of these directors are independent and two of these directors are non-independent.

The Independent Directors are:

- Drew Kelton (Chairman);
- Paul Mac Rae;
- Simon Moore; and
- Sam Saba.

The Non-Independent Directors are:

- Ted Keating – is considered not to be independent as he was a founder of FirstWave. Mr Keating retired after year end on 13 July 2018.
- Scott Lidgett – is considered not to be independent as he is a substantial shareholder of the Company.

Principle 3: Promote ethical and responsible decision making

The FirstWave Code of Conduct (the Code) provides guidance on what is acceptable behaviour, requiring all Directors, managers and employees to maintain the highest standards of integrity and honesty. The Code is available at <https://www.firstwavecloud.com/corporate-governance.html>

FirstWave expects its Directors, management and staff to report conduct that is dishonest, fraudulent, corrupt or illegal, endangers health and safety, or is a suspected breach of the Code or any FirstWave policy.

The FirstWave Securities Trading Policy governs the trading in FirstWave shares by Directors, management and staff in compliance with the ASX Listing Rules requirements. This policy is available on the FirstWave website at <https://www.firstwavecloud.com/corporate-governance.html>.

Principle 4: Safeguard integrity in financial reporting

FirstWave is committed to maintaining a transparent system for auditing and reporting of FirstWave financial performance. The Board has established an Audit, Risk and Compliance Committee which performs a central function in achieving this goal.

Members of the Audit, Risk and Compliance Committee are:

- Simon Moore (Committee Chairman);
- Drew Kelton; and
- Ted Keating.

Simon Moore and Drew Kelton are independent directors and Ted Keating is not an independent director. A copy of the Committee's charter is available on the FirstWave website at <http://www.Firstwave.com.au/about-us/governance>.

The Committee has met four times in the 2018 financial year. The attendance of the Committee members is as follows:

Committee Member	Number of Meetings	Number of Meetings Attended
Simon Moore	4	4
Drew Kelton	4	4
Ted Keating	4	4

The Chairman and Mr Moore have provided the Board with a written declaration in accordance with s295A of the *Corporations Act* that the full year financial statements are founded on a sound system of risk management and internal control, which implements the policies adopted by the Board, and that FirstWave risk management and internal control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

The external auditors attend each Annual General Meeting to answer any questions from shareholders.

Principle 5: Make timely and balanced disclosures

FirstWave has established, and complies with, the Communication and Market Disclosure Policy to ensure the market is informed of matters in compliance with the ASX Listing Rules disclosure requirements. A copy of the policy is available on the FirstWave website at <https://www.firstwavecloud.com/corporate-governance.html>.

Principle 6: Respect the rights of shareholders

FirstWave provides its shareholders with high quality, relevant, factual and useful information in a timely manner and encourages shareholders to access this information primarily from the FirstWave website. Shareholders are encouraged to make their views known to FirstWave and to directly raise matters of concern. The Annual General Meeting remains the main opportunity for shareholders to comment on, and to question, the FirstWave Board and management, and shareholders are encouraged to attend.

Shareholders are also encouraged to ask questions and participate in Annual General Meetings both during the formal part of the meeting and then following the meeting informally. In other communications to shareholders they are encouraged to contact the Company Secretary if they need further assistance.

Our share registry has the facility to handle communications electronically and shareholders are encouraged to do so. However, FirstWave also continues to communicate through the postal service or on the telephone for shareholders who do not have access to a computer.

Principle 7: Recognise and manage risk

FirstWave does not have a dedicated Risk Committee, however, the FirstWave Audit Risk and Compliance Committee (“AR&C Committee”) oversees risk. Details of the AR&C Committee are outlined at Principle 4 above.

The AR&C Committee reviews the FirstWave risk management framework from time to time. The FirstWave Board also considers risk in developing and implementing strategy and monitors appropriate mitigation strategies that have been put in place.

FirstWave has established policies for the oversight of material business risks. These policies are designed to ensure that strategic, operational, compliance, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of FirstWave business objectives.

The Board has directed management to design, assess, monitor and review the risk management and internal control framework in place to manage risks. Control procedures cover management accounting, financial reporting, project appraisal, IT security, compliance and other risk management functions.

The Board requires management to provide advice on the effective management of material business risks. During the financial year, the Audit Risk and Compliance Committee, the Board and relevant management reported on material risks and the effectiveness of controls in place to manage such risks where possible. During the year our risk review did not identify any material environmental, economic or social sustainability risk.

The AR&C Committee reviews the annual insurance program to ensure risks are covered by appropriate insurances.

Principle 8: Remunerate fairly and responsibly

The Board has established a Remuneration & Nomination Committee whose primary responsibility is to consider remuneration strategy and policy and to make recommendations to the Board that are in the best interests of FirstWave and its shareholders. The Committee monitors recruitment and development policies

which encourage workplace diversity across individual characteristics, backgrounds and skill levels

For details of the membership and committee meetings during the year refer to Principle 2 above.

Further information on Directors' and senior executives' remuneration, including principles used to determine remuneration, is set out in the Directors' report on pages 5 to 13.

FirstWave has comprehensive performance guidelines in place. For the period, each senior executive has had their performance assessed against clearly defined objectives and measures developed through the overall process of performance management.

The Board conducts a review of Board, Committee and individual member performance along with a review of Director Independence from time to time.

In respect of equity based remuneration the Company's Securities Trading Policy prohibits all employees from entering into a transaction which would limit the economic risk of participating in the share plan.