

OptiComm Ltd ACN 117 414 776

Corporate governance statement

This statement was approved by the Board on 15 July 2019

Overview

As an ASX listed company, OptiComm Ltd ACN 117 414 776 (**OptiComm** or the **Company**) is required to have regard to the ASX Corporate Governance Principles and Recommendations (**ASX Governance Principles**) and benchmark its corporate governance practices against the ASX Governance Principles (Listing Rule 4.10.3). Reporting is done on an 'if not, why not' basis, and any departure from the recommendations, and reasons why, is required to be disclosed in OptiComm's prospectus (referred to as a 'corporate governance statement'). Provision of a corporate governance statement to ASX is also a listing requirement. Post-listing, OptiComm will be required to annually report on its corporate governance practices as part of its annual reporting process.

The Directors and management of OptiComm are responsible for reviewing and maintaining the corporate governance principles of its group and ensuring that they do not materially differ from the principles set out in the ASX Governance Principles (**Recommendations**). The objective of the Company's board of directors (**Board**) is to enhance shareholder value. The Board considers there is a strong link between good corporate governance policies and practices and the achievement of this objective. The directors are responsible for reviewing and maintaining the corporate governance principles of the Company's group.

This statement identifies and provides reasons for some Recommendations not being followed.

This statement has been approved by the Board and the Company's corporate governance policies and charters will be available at the Company's website at www.opticomm.net.au (**Website**).

Note regarding preparation

At the date of this statement, listed entities are required to benchmark their corporate governance policies against the 3rd edition of the ASX Governance Principles. In February 2019, the ASX Corporate Governance Council released a 4th edition of the ASX Governance Principles which are scheduled to take effect for an entity's first full financial year commencing on or after 1 January 2020, but the ASX Corporate Governance Council does encourage listed entities to adopt the 4th edition earlier, if they wish. In preparing for its ASX listing, OptiComm has had regard to the 4th edition of the ASX Governance Principles and this statement has been prepared on the basis of the form of the 4th edition released by the ASX Corporate Governance Council in February 2019.

No.	Recommendation	Status	Comments
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.			
1.1	<p>A listed entity should have and disclose a board charter setting out:</p> <ul style="list-style-type: none"> (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. 	Complying	<p>The Board has adopted a Board Charter that formalises the functions and responsibilities of the Board (including the process for evaluating the performance of the Board and its committees).</p> <p>The Board Charter requires that the Board comprise Directors with a range of experience, expertise, skills, diversity and contacts relevant to the Company and its business. The responsibilities of the Board are expressly set out in item 2 of the Board Charter and authority delegated to the Chief Executive Officer / Managing Director is set out in item 11 of the Board Charter. Certain responsibilities held by the Chair (including responsibility for leading the board, facilitating the effective contribution by all Directors and promoting constructive and respectful relations between Directors and between the Board and management) are set out in item 3.1 of the Board Charter.</p> <p>The Board Charter also sets out that a Director can seek independent advice or other professional advice at the Company's expense after receiving approval from the Chair. Such approval may not be unreasonably withheld or delayed.</p> <p>A copy of the Board Charter will be available on the Website.</p>
1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a director or senior executive¹ or putting someone forward 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. 	Complying	<p>The Board has established the Remuneration and Nomination Committee which has the responsibility (among others) to make recommendations to the Board with respect to the appointment of new directors to the Company.</p> <p>With regards to the nomination responsibilities, as set out in the Remuneration and Nomination Committee Charter, the Committee has the responsibility to develop a process for the nomination and selection of suitable candidates for appointment to the board and to undertake appropriate checks before making recommendations for the consideration of the Board.</p> <p>In accordance with the ASX listing requirements, the Company conducted background checks on all of its directors, to the extent possible, including criminal history checks and insolvency checks for each country which a relevant director has resided in the past 10 years.</p> <p>The Board has adopted a Shareholder Communications Policy which provides a framework for communications with securityholders. In particular, the Shareholder Communications Policy that the Company will, where</p>

¹ The term senior executive is defined in the glossary as (for all recommendations other than recommendation 1.5(c)(3)(A)) "an executive who is a member of the key management personnel of the entity, including an executive director but not including a non-executive director".

			<p>practicable, adopt ASX Governance Principles guidelines for notices of meetings, which includes disclosure of material relevant on director elections which may include:</p> <ul style="list-style-type: none"> • in the event a Director seeks re-election at a general meeting, providing information to security holders about those Directors seeking re-election to enable them to make an informed decision on whether to re-elect that Director; and • in the event a person stands for election as a Director for the first time, the Company will provide sufficient background and material information to its security holders to allow them to make an informed decision.
1.3	A listed entity should have a written agreement with ² each director and senior executive setting out the terms of their appointment ³ .	Complying	<p>All Directors and senior executives are engaged on written terms personally with the Company. The Board Charter specifies that the terms of appointment for all new directors will be set out in a letter of appointment or service contract. In most cases, the appointment of an executive director will be dealt with in their employment or service agreement and a separate letter will not be required.</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complying	<p>The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the Corporations Act. The Board Charter includes certain responsibilities and accountabilities for the Company Secretary and confirms that decisions to appoint or remove the Company Secretary is made by the Board.</p> <p>As at the date of this statement, John Phillips is the Company Secretary.</p>
1.5	<p>A listed entity should:</p> <p>(a) have and disclose⁴ a diversity policy;</p> <p>(b) through its board or a committee of the board⁵ set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally;</p> <p>(c) disclose in relation to each reporting period:</p>	Partly Complying	<p>The Board and the Company's employees have diverse skills, backgrounds, perspectives and experiences and the Company is committed to promoting and fostering inclusion at all levels of its organisation by (amongst other things) actively promoting a corporate culture that supports diversity and inclusion in the workplace and in the composition of its Board and at all levels of the workforce.</p> <p>The Company has adopted a Diversity and Inclusion Policy which supports and facilitates this commitment. The Board is accountable for ensuring the Company's compliance with its diversity commitments including by:</p> <ul style="list-style-type: none"> • overseeing the Diversity and Inclusion policy, including the review of its appropriateness and effectiveness from time to time;

² The reference in this recommendation to a listed entity having a written agreement with a director or senior executive means having an agreement with the director or senior executive personally rather than with an entity supplying his or her services (see the commentary to this recommendation).

³ It should be noted that a listed entity is required under listing rule 3.16.4 to disclose the material terms of any employment, service or consultancy agreement it or a child entity enters into with its CEO, any of its directors, and any other person or entity who is a related party of its CEO or any of its directors. It is also required to disclose any material variation to such an agreement.

⁴ An entity may redact from the disclosed copy of its diversity policy personal or confidential information such as the names and contact details of individual staff involved in diversity issues.

⁵ If the board decides to delegate this role to a committee of the board (such as the nomination or remuneration committee), this should be reflected in the charter of the committee in question.

<p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive"⁶ for these purposes); or</p> <p>(B) 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.⁷</p> <p>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have</p>		<ul style="list-style-type: none"> • encouraging and promoting other initiatives, policies and processes considered appropriate from time to time to encourage and promote diversity; and • to the extent considered appropriate for the Company having regard to its circumstances at the relevant time, ensuring compliance with the ASX Governance Principles in respect of diversity. <p>The Board will also work with the Remuneration and Nomination Committee to ensure that recruitment and selection processes at all levels are appropriately structured so that a diverse range of candidates are considered and the Company's diversity profile is taken into account in the selection and appointment of qualified employees, senior management and Board candidates. The Board may from time to time delegate responsibilities to the Remuneration and Nomination Committee to ensure that the Company's Diversity commitments are implemented appropriately in relation to directors, executives and certain staff at other levels of the organisation.</p> <p>OptiComm's Diversity and Inclusion policy also provides a process for the Board to decide measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals as appropriate for its operations. The board, in consultation with the Remuneration and Nomination Committee, intends to develop and set meaningful and measurable objectives, for achieving diversity, in particular gender diversity, within its business that are appropriate for the business from time to time. Any measurable objectives that are set by the Board will be used to measure the Company's progress towards achieving its diversity goals over its future financial years.</p> <p>The Board has not yet set measureable objectives for achieving diversity and the Board has made this election having regard to the size of the company (including the fact, the Company is not a 'relevant employer' under the Workplace General Equality Act') and the industry in which it operates.</p> <p>Notwithstanding the absence of set measurable diversity objectives, the Company is, and will continue to be, cognisant of promoting an inclusive and diverse workforce and notes that the Remuneration and Nomination Committee Charter allows committee members to take into account diversity factors and any relevant diversity policy when making recommendations regarding nomination matters. Following its listing on the ASX, the Board intends to review its diversity policies at least annually, continue to assess the Company's diversity levels and identify gaps, and look to develop and, where considered appropriate, set meaningful and measurable diversity objectives in the near future and will disclose the Company's progress on these matters in subsequent reporting period disclosures.</p>
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⁶ The term senior executive is defined in the glossary as (for recommendation 1.5(c)(3)(A) specifically) "the listed entity should define what it means by "senior executive"".

⁷ The Workplace Gender Equality Act applies to non-public sector employers with 100 or more employees in Australia. The Act requires such employers to make annual filings with the Workplace Gender Equality Agency ("WGEA") disclosing their "Gender Equality Indicators". These reports are filed annually in respect of the 12 month period ending 31 March.

	not less than 30% ⁸ of its directors ⁹ of each gender within a specified period.		<p>As at 30 April 2019 (being prior to the date this statement was adopted), the respective proportions of men and women within OptiComm were as follows:</p> <table border="1" data-bbox="1039 320 1816 472"> <thead> <tr> <th></th> <th>Women</th> <th>Men</th> </tr> </thead> <tbody> <tr> <td>Board representation</td> <td>1</td> <td>4</td> </tr> <tr> <td>Senior executive team</td> <td>1</td> <td>7</td> </tr> <tr> <td>Group representation (employees only)</td> <td>12</td> <td>58</td> </tr> </tbody> </table>		Women	Men	Board representation	1	4	Senior executive team	1	7	Group representation (employees only)	12	58
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1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Complying	<p>The Board Charter sets out that the Board will review the performance of the Board, the Directors and its Committees. The Remuneration and Nomination Committee will assist the Board in ensuring that the performance of each Director is reviewed and assessed each year in accordance with procedures adopted by the Board. Item 7 of the Board Charter sets out the process for the performance review and evaluation of Directors and Item 12 provides that the Board will evaluate its Committees in accordance with the relevant committee charter.</p>												
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose, for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Complying	<p>The Board Charter provides, under Item 7.8, that the Board may review and assess the performance of its senior executives in accordance with the same process for reviewing and evaluating its Directors.</p> <p>Senior executives may also be subject to performance reviews in accordance with their terms of engagement.</p>												
<p>PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</p> <p>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</p>															

⁸ For the avoidance of doubt, a listed entity may set a higher percentage than 30% and meet this recommendation.

⁹ This includes both executive and non-executive directors.

2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members¹⁰, a majority of whom are independent directors¹¹; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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 <p>(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.</p>	Complying	<p>The Board has established a Remuneration and Nomination Committee pursuant to the terms of the Remuneration and Nomination Committee Charter.</p> <p>The required composition of the Remuneration and Nomination Committee is set out in Item 4 of the Remuneration and Nomination Committee Charter and provides that the Company intends on the Remuneration and Nomination Committee being comprised of not less than three members, a majority of whom are independent directors, with an independent director as chair.</p> <p>At the date of this statement, the Company's Remuneration and Nomination Committee comprises of three members: Jennifer Douglas (independent chair of the Committee), Greg Adcock and Allan Brackin, all of whom are independent directors.</p> <p>The Committee is required to meet at least twice during each financial year and more often as required and the Company will disclose in its annual report the number of times the Committee meets throughout each financial year and the individual attendances of the members at those meetings.</p> <p>A copy of the Remuneration and Nomination Committee Charter will be available on the Company's website.</p>
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¹⁰ The Council recognises that a number of listed entities have nomination committees comprising the entire board. Provided the nomination committee otherwise has an appropriate charter and meets as a committee outside of normal board meetings, this practice complies with recommendation 2.1(a).

¹¹ An independent director is defined in the glossary as "a director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than those of an individual security holder or other party".

2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Partly Complying	<p>OptiComm notes the importance of a high performing and effective board of directors in ensuring proper governance of a listed entity. Whilst the Board has not yet adopted a formal board skills matrix, when structuring its board, OptiComm has taken into account the benefits of having a mix of members which bring a diverse set of skills, backgrounds, perspectives and experiences to the Board and considers that its Board is currently comprised of members with skills and experience in the following areas:</p> <ul style="list-style-type: none"> • industry knowledge, in particular the information technology, telecommunications and fibre optic industries; • business management; • corporate governance; • product development and manufacturing; • sales and marketing; and • finance. <p>There are also a range of qualifications currently represented across OptiComm’s board of directors, including in the fields of tax, finance and accounting, business management, project management, and legal qualifications and experience.</p> <p>OptiComm’s board of directors will regularly review the skills, experience and attributes held by the directors and whether the board group as a whole possess the skills and experience required to fulfil their role on the board and relevant board committees. Where any gaps are identified, the board will consider if additional appointments are necessary or whether training or development could be undertaken to fill those gaps provide resources or access to resources to help develop and maintain the skills and knowledge of its directors.</p> <p>As required by OptiComm’s Board Charter, the Company will report in its annual report details about the use by the Company of a board skills matrix to identify any gaps in the skills, qualifications, diversity and experience of the Directors of the Board.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, 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</p>	Complying	<p>The Company’s Board Charter requires the Board to regularly assess whether each Director is an independent Director in the light of the interests disclosed by them and notes that a Director should only be characterised as an independent Director if they are free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.</p> <p>In assessing the independent status of a Director, the Board will have regard to facts, information and circumstances that the Board considers relevant, including the ASX Governance Principles and in particular, the <i>‘Factors relevant to assessing the independence of a Director’</i> as set out in the ASX Governance Principles.</p>

	<p>nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Board has reviewed the independence of each of its Directors and has determined that:</p> <ul style="list-style-type: none"> • four of its non-executive directors, (Allan Brackin, Ken Ogden, Jennifer Douglas and Greg Adcock) are independent directors; • David Redfern, non-executive director, is not considered independent on the basis his interest in OptiComm shares at the date of this statement (through entities he controls) is approximately 31%; and • Paul Cross, executive director, is not considered independent as he is the Managing Director and a member of OptiComm’s management. <p>Interests, positions relationships and associations</p> <p>For the purposes of limb (b) of Recommendation 2.3, OptiComm has considered the below relationships and associations relevant to Mr Brackin and Mr Ogden which may be perceived to impact their independence.</p> <p>Shareholding</p> <p>At the date of this statement, Mr Brackin and Mr Ogden both have interests in OptiComm shares through entities they control, representing approximately 2.14% and 4.27% of OptiComm’s current share capital respectively. The Board that these holdings are likely to decrease following the Company’s ASX listing as a result of the existing shareholder sell down and issue of new shares in the IPO capital raising, however in any event, they are below the ‘substantial holder’ thresholds referred to in Box 2.3 of the ASX Governance Principles.</p> <p>Relationship with professional advisory services firm</p> <p>Mr Ogden is a partner of Pitcher Partners Brisbane, a national association of independent Australian accounting firms. Pitcher Partners has in the past provided and, at the date of this statement, continues to, provide certain professional services to OptiComm including:</p> <ul style="list-style-type: none"> • ongoing ‘business as usual’ corporate accounting and tax support services including accounting software and corporate accounting administration, company secretarial and tax advisory services; and • discrete engagements including acquisition tax and financial due diligence services and pre-IPO accounting, corporate advisory and tax preparation support services. <p>In relation to these engagements the Board notes that:</p> <ul style="list-style-type: none"> • details of the fees paid by OptiComm to Pitcher Partners in FY17 and FY18 and expected fees payable for FY19 have been disclosed in OptiComm’s IPO Prospectus; • OptiComm engages individual Pitcher Partners divisions and teams on an as-needed basis for specific engagements depending upon specific work type and resource needs, and Mr Ogden does not have an active role in the provision of such services, nor are the persons involved in providing such services under Mr Ogden’s direct supervision or instruction;
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			<ul style="list-style-type: none"> the financial, accounting and tax advisory services provided by Pitcher Partners do not include review or audit of OptiComm's financial statements (which role is undertaken by OptiComm's auditor, BDO Audit Pty Ltd); and since October 2018, it has been OptiComm policy to require Board approval (excluding Mr Ogden) for all Pitcher Partners engagements outside of the existing ongoing 'business as usual' engagements, and this policy will continue for any future services OptiComm may require. <p>For the reasons set out above, notwithstanding the existence of the abovementioned matters, the Board has concluded that these relationships do not influence Mr Brackin or Mr Ogden's capacity to exercise independent judgement or their ability to act in the best interests of OptiComm and its security holders and accordingly regard them both as independent.</p> <p>The Board will continue to monitor the interests of its directors and will review its assessment of independence at least annually, and as and when a Director's circumstances change in a manner that warrants reassessment. In particular, the Board will review and, if considered necessary, re-assess its determination in relation to Mr Ogden should there be a material change in the services provided by Pitcher Partners, or Mr Ogden's relationship or interest with Pitcher Partners.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Complying	As at the date of this statement, the OptiComm board has a majority of independent directors (Allan Brackin, Kenneth Ogden, Greg Adcock and Jennifer Douglas). The directors that are not considered independent are David Redfern and Paul Cross.
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.	Complying	The Chair is Allan Brackin, independent non-executive Director, and is not the same person as the Company's Chief Executive Officer / Managing Director.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Complying	<p>Item 8 of the Board Charter provides for new Directors to be provided with information about the Company as well for the continuing education and professional development of ongoing Directors to allow them to perform their role as directors effectively.</p> <p>The Company secretary also has the responsibility to help organise and facilitate the induction and professional development of the Directors.</p> <p>The Remuneration and Nomination Committee Charter outlines that the committee is responsible for making recommendations to the Board to ensure an effective induction program is in place for newly appointed directors and periodically reviewing (and making recommendations to the Board) whether there is a need for existing directors to undertake professional development.</p>

PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
A listed entity should instil and continually reinforce a culture ¹² across the organisation of acting lawfully, ethically and responsibly.			
3.1	A listed entity should articulate and disclose its values.	Partly Complying	The Code of Conduct sets out the Company's core values. These are also set out on the Website.
3.2	A listed entity should: (a) have and disclose ¹³ a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Complying	The Board has adopted a Code of Conduct, a copy of which will be available on the Website and has been made available to all staff. The Code of Conduct applies to all directors of the company as well as officers, employees, contractors, consultants, secondees and other persons that act on behalf of the OptiComm group. The Code of Conduct encourages persons to report actual or suspected breaches of the Code of Conduct, including in respect of anti-bribery and corruption. The Company has also adopted a Whistleblower Policy (refer below) setting out a process by which breaches can be reported and protections available to persons reporting such breaches.
3.3	A listed entity should: (a) have and disclose ¹⁴ a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Complying	The Board has adopted a Whistleblower Policy, that establishes a protected framework for the reporting of illegal, unacceptable, unethical or undesirable behaviour or conduct, including breaches of the Company's Code of Conduct or any other conduct that is considered to be 'reportable conduct'. The Whistleblower Policy applies to all directors of the company as well as officers, employees, contractors, consultants, secondees and other persons that act on behalf of the OptiComm group. A copy of the Whistleblower Policy will be available on its Website and has been made available to all staff. As noted above, the Whistleblower Policy suggests 'reportable conduct' is reported to an immediate supervisor or manager who is required to escalate the matter to a 'Protected Disclosure Officer' or directly to a 'Protected Disclosure Officer' (being the Head of Human Resources and the Chair of the Audit Risk Committee) and requires all reports of reportable conduct lodged in accordance with the Whistleblower Policy to be referred to an 'Investigations Officer' to be investigated in a fair, thorough, timely and objective manner.
3.4	A listed entity should	Complying	The Anti-Bribery and Corruption Policy outlines the Company's position on bribery and corruption and outlines the process for implementing this position.

¹² Listed entities may find the guidance in Managing Culture: A good practice guide, First edition 2017 helpful. This is a joint publication of the Institute of Internal Auditors - Australia, The Ethics Centre, the Governance Institute of Australia and Chartered Accountants Australia and New Zealand.

¹³ An entity may redact from the disclosed copy of its code of conduct personal or confidential information such as the names and contact details of individual staff involved in conduct issues.

¹⁴ An entity may redact from the disclosed copy of its whistleblower policy personal or confidential information such as the names and contact details of individual staff involved in the whistleblower process.

	<p>(a) have and disclose¹⁵ an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>		<p>The Board has adopted an Anti-Bribery and Corruption Policy, a copy of which will be available on its Website and has been made available to all staff. The Anti-Bribery and Corruption Policy applies to all directors of the company as well as officers, employees, contractors, consultants, secondees and other persons that act on behalf of the OptiComm group and outlines the Company's zero tolerance approach to bribery and corruption and outlines a process for implementing this approach, including by encouraging persons to report concerns about suspicious activity in accordance with the reporting process in the Whistleblower Policy.</p>
<p>PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</p> <p>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</p>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee¹⁶ which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met</p>	Complying	<p>The Board has established an Audit and Risk Committee pursuant to the terms of the Audit and Risk Committee Charter.</p> <p>The required composition of the Audit and Risk Committee is set out in Item 8 of the Audit and Risk Committee Charter and provides that the Company intends on the Audit and Risk Committee being comprised of not less than three non-executive directors, a majority of whom are independent directors, with an independent director as chair (who must not be the chair of the Board).</p> <p>At the date of this statement, the Company's Audit and Risk Committee comprises of three members: Ken Ogden (independent chair of the Committee), David Redfern and Allan Brackin who are all non-executive directors. Mr Ogden and Mr Brackin are independent directors (satisfying the requirement for a majority of independent directors).</p> <p>The Committee is required to meet at least four times during each financial year and more often as required and the Company will disclose in its annual report the number of times the Committee meets throughout each financial year and the individual attendances of the members at those meetings.</p> <p>The relevant qualifications and experience of the Committee members are as set out in the prospectus issued by the Company dated 15 July 2019.</p> <p>A copy of the Audit and Risk Committee Charter will be available on the Company's Website.</p>

¹⁵ An entity may redact from the disclosed copy of its anti-bribery and corruption policy personal or confidential information such as the names and contact details of individual staff involved in anti-bribery and corruption issues.

¹⁶ It should be noted that a listed entity which is included in the S&P All Ordinaries Index at the beginning of its financial year is required under listing rule 12.7 to have an audit committee for the entire duration of that financial year. If it is included in the S&P/ASX 300 Index at the beginning of its financial year, it must also comply with the structure and disclosure requirements in paragraph (a) of recommendation 4.1 for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year. An entity that is included in the S&P/ASX 300 Index for the first time less than 3 months before the first day of its financial year but did not comply with the structure and disclosure requirements in paragraph (a) of recommendation 4.1 at that date must take steps so that it complies with those requirements within 3 months of the beginning of the financial year.

	<p>throughout the period and the individual attendees of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Complying	<p>The Board is committed to ensuring the financial statements of the Company represent a true and fair view of the Company's financial position and performance.</p> <p>Under Item 2(k) of the Board Charter, the Board is responsible for approving and monitoring financial and other reporting of the Company.</p> <p>The Board has established the Audit and Risk Committee to assist the Board with the quality and reliability of financial information prepared by the Company and monitor an appropriate risk management and internal control framework.</p> <p>The CEO / MD and the CFO of the Company are also required to provide declarations under section 295A of the Corporations Act.</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report¹⁷ it releases to the market that is not audited or reviewed by an external auditor.</p>	Complying	<p>As stated in item 2 of the Company's Shareholder Communications Policy, the Company will produce half yearly and yearly financial reports and annual reports in accordance with the Corporations Act, the Listing Rules and applicable accounting standards. The Company seeks to give balanced and understandable information about the OptiComm group in its periodic reporting to investors and where a report or information is not audited or reviewed by an external auditor, the Company will undertake appropriate verification processes</p>

¹⁷ "Periodic corporate report" is defined in the glossary as "an entity's annual directors' report, annual and half yearly financial statements, quarterly activity report, quarterly cash flow report, integrated report, sustainability report, or similar periodic report prepared for the benefit of investors".

			where considered necessary and/or appropriate to ensure the integrity of the information contained within any such reports.
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.			
5.1	A listed entity should have and disclose ¹⁸ a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Complying	The Board has adopted a Continuous Disclosure Policy and is committed to complying with all continuous disclosure obligations imposed by the ASX Listing Rules and otherwise as required by law. The Continuous Disclosure Policy establishes procedures and protocols aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information. A copy of the Continuous Disclosure Policy will be available on the Website.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complying	The Board Charter and the Continuous Disclosure Policy outlines that the board will receive copies of all announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation	Complying	This Shareholder Communications Policy contains a requirement that copies of all new and substantive investor presentations made to analysts and media briefings will be lodged with the ASX and posted on the Company's website, and where appropriate, the Company will use webcasting or teleconferencing of these presentations and briefings. Where practicable, the Company intends to lodge a copy of such presentation material with the ASX (to be followed by the Company's website) ahead of the presentation, but if this is not practicable in the circumstances, subject at all times to any requirements under the ASX Listing Rules, the Company will endeavour to do so as soon as it reasonably can.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	Item 14.10 of the Board Charter provides that the Company will make available to security holders and investors information about the Company on its Website, including periodic reports, market announcements, notices of meetings and governance policies.

¹⁸ An entity may redact from the disclosed copy of its continuous disclosure policy personal or confidential information such as the names and contact details of individual staff involved in the disclosure process.

6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors. ¹⁹	Complying	The Company intends to ensure that investors are kept fully up to date in relation to major developments and activities of the Company and has adopted a Shareholder Communication Policy to allow for effective communication between the Company and investors. A copy of the Shareholder Communication Policy will be available on the Website.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Complying	The Company's policies and processes it has in place to facilitate and encourage participation at security holder meetings is set out in the Shareholder Communication Policy. In particular, the Company encourages its shareholders to attend the Company's annual general meeting (whether in person or by proxy) and, in accordance with the Corporations Act, will provide notice of the meeting to each shareholder. The Company believes that the AGM gives shareholders the opportunity to meet with the board and intends to ensure the Chair allows adequate time to address queries or questions put by shareholders at general meetings. The Company will conduct general meetings in accordance with its constitution, the Corporations Act and the ASX Listing Rules (as applicable) and will consider the use of technology and other means to facilitate shareholder participation as appropriate.
6.4	A listed entity should ensure that all substantive ²⁰ resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Partially complying	As stated in item 6.3 of the Company's Shareholder Communication Policy, the Board will consider whether any resolution put to security holders for consideration at a meeting of security holders (including any substantive resolutions) will be decided by a poll rather than a show of hands having regard to the specific circumstances applying to the resolution at the relevant time.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complying	As provided under Item 14.11 of the Board Charter, the Company is committed to electronic communication with its shareholders, including through its website. Investors are able to communicate with the Company electronically through the Website and with the Company's share registry by visiting www.investorcentre.linkmarketservices.com.au .
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.			
7.1	The board of a listed entity should:	Complying	The Board has established an Audit and Risk Committee comprising Ken Ogden (independent chair of the Committee), David Redfern and Allan Brackin.

¹⁹ References in this recommendation to communicating and interacting with security holders include, where securities are held by a custodian or nominee, communicating and interacting with the beneficial owner of the securities.

²⁰ This recommendation does not apply to procedural resolutions. Whether a poll is called on a procedural resolution is generally a matter for the chair of the meeting.

	<p>(a) have a committee or committees to oversee risk²¹, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at 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 <p>(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.</p>		<p>As Mr Ogden and Mr Brackin are considered by the Board to be independent Directors, the majority of the Committee is independent.</p> <p>The principal role of the Audit and Risk Committee (from a risk perspective) is to:</p> <ul style="list-style-type: none"> (a) establish and maintain an appropriate internal control framework; (b) assess corporate risk and compliance with internal controls; and (c) oversee new and emerging sources of risk and risk control and mitigation arrangements. <p>The Audit and Risk Committee is required to meet at least four times each year or more as required, and the number of times the Audit and Risk Committee has met as well as the attendees of members at those meetings will be disclosed in the Company's annual report.</p> <p>The Audit and Risk Committee Charter will be available on the Website.</p>
7.2	<p>The board or a committee of the board²² should:</p> <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and 	Complying	<p>The Audit and Risk Committee Charter delegates responsibilities to the Audit and Risk Committee, including a responsibility to oversee the establishment, implementation and effectiveness of the Company's internal strategic risk management and internal compliance and control systems and assess the effectiveness of those systems, and the responsibility to approve and recommend to the Board policies and procedures on risk oversight and management and appropriate and effective identification, monitoring, assessment and risk management systems.</p> <p>The Audit and Risk Committee Charter requires the committee to regularly review (at least annually), the risk profile and risk appetite of the Company's group, and review performance against the risk management</p>

²¹ The risk committee(s) could be a stand-alone risk committee, a combined audit and risk committee or a combination of board committees addressing different elements of risk. Where it is a combination of committees, the listed entity should disclose how it has divided the responsibility for overseeing risk between those different committees.

²² If the board decides to delegate this role to a committee of the board, this should be reflected in the charter of the committee in question.

	(b) disclose, in relation to each reporting period, whether such a review has taken place.		<p>framework, to satisfy itself (amongst other things) that it continues to be sound and whether it is operating within the risk appetite set by the Board.</p> <p>The Board has adopted a Risk Management Policy to outline the Board’s responsibility and authority to oversee and manage the Company’s risk. The Board has established the Audit and Risk Committee to assist the Board in day-to-day oversight of the Company’s risk management program and the Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes.</p> <p>As set out in Items 4 and 5 of the Risk Management Policy, the Board will review the effectiveness of the Company’s risk management and internal control system annually, and may disclose the results of such review in its annual reports.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; and</p> <p>(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 governance, risk management and internal control processes.</p>	Complying	<p>The Company does not have an express internal audit function. However, the Board has established the Audit and Risk Committee to perform internal functions as set out in Item 4 of the Audit and Risk Committee Charter, including monitoring and evaluating the Company’s internal control and risk management framework. The Board has also adopted a Risk Management Policy to assist the Board and the Audit and Risk Committee in performing its internal control roles. Both the Committee’s charter and the Risk Management Policy will be available on the Website.</p>
7.4	A listed entity should disclose whether it has any material exposure ²³ to environment or social risks ²⁴ and, if it does, how it manages or intends to manage those risks.	Complying	<p>Material exposure means a real possibility that the risk in question could substantively impact the listed entity’s ability to create or preserve value for security holders over the short, medium or long term. Economic sustainability is the Company’s ability to continue operating at a particular level of economic production over the long term. Environmental sustainability is the Company’s ability to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. Social</p>

²³ “Material exposure” in this context means a real possibility that the risk in question could materially impact the listed entity’s ability to create or preserve value for security holders over the short, medium or longer term.

²⁴ The terms “environmental risks” and “social risks” are defined in the glossary as: “environmental risks: the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect the natural environment or if its activities are adversely affected by changes in the natural environment. This includes the risks associated with the entity polluting or degrading the environment, adding to the carbon levels in the atmosphere, or threatening a region’s biodiversity or cultural heritage. It also includes the risks for the entity associated with climate change, reduced air quality and water scarcity ” and “social risks: the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect human society or if its activities are adversely affected by changes in human society. This includes the risks associated with the entity or its suppliers engaging in modern slavery, aiding human conflict, facilitating crime or corruption, mistreating employees, customers or suppliers, or harming the local community. It also includes the risks for the entity associated with large scale mass migration, pandemics or shortages of food, water or shelter”.

			<p>sustainability means the Company's ability to continue operating in a manner that meets accepted social norms and needs over the long term.</p> <p>The Company's ongoing disclosure obligation in respect of changes in its state of affairs is covered in item 14 of the Board Charter.</p> <p>Item 3 of the Continuous Disclosure Policy sets out the obligation of the Company to immediately disclose 'price sensitive' information to ASX as is the requirement under the listing rules therefore the Company will update shareholders of material exposure to such risks as and when it arises.</p>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
<p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</p>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee²⁵ which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the</p>	Complying	<p>The Board has established a Remuneration and Nomination Committee comprising three members: Jennifer Douglas (independent chair of the Committee), Greg Adcock and Allan Brackin, all of whom are independent directors.</p> <p>The principal role of the Remuneration and Nomination Committee is to assist the Board and make recommendations to it about the appointment of new Directors and advise on remuneration and issues relevant to remuneration policies and practices.</p> <p>The Remuneration and Nomination Committee is required to meet at least twice each financial year and more often as required and the Company will disclose in its annual report the number of times the Committee meets throughout each financial year as well as the individual attendances.</p> <p>A copy of the Remuneration and Nomination Committee Charter will be available on the Website.</p>

²⁵ It should be noted that a listed entity which is included in the S&P/ASX 300 Index at the beginning of its financial year is required under listing rule 12.8 to have a remuneration committee comprised solely of non-executive directors for the entire duration of that financial year.

	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.		
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.	Complying	<p>The Remuneration and Nomination Committee Charter specifies the Committee's responsibility to oversee the remuneration strategies and policies for the Company.</p> <p>The remuneration of each Director (both executive and non-executive) and its CEO / MD is detailed in the Company's prospectus issued by the Company dated 15 July 2019 and will be disclosed in its annual report. In addition remuneration of key management personnel will be disclosed in its annual report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme,²⁶ and</p> <p>(b) disclose that policy or a summary of it.</p>	Complying	<p>At the date of this statement, the Company has established two equity-based remuneration schemes:</p> <ul style="list-style-type: none"> • a long term incentive performance rights plan; and • a broad-based employee share plan. <p>A summary of the terms of both schemes has been included in the prospectus issued by the Company dated 15 July 2019.</p> <p>Securities issued pursuant to the terms of the above equity incentive schemes may be subject to disposal restrictions as determined by the Board, including restrictions on entering into hedging or similar arrangements which may limit the economic risk of participating in the scheme.</p> <p>Items 2 and 3 of the Remuneration and Nomination Committee Charter sets out the scope of their review as including review of policies relating to equity participation and other incentive programs.</p> <p>The Company also has a Securities Trading Policy, which will be available on its Website, which outlines when key management personnel (including Directors) and certain other employees nominated by the Board may trade Company securities.</p>
<p>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</p> <p>The following additional recommendations apply to the entities described within them.</p>			

²⁶ It should be noted that section 206J of the Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or a closely related party of such personnel, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.

9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents ²⁷ are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	N/A	This recommendation is not applicable to OptiComm as it does not have any foreign directors, nor does it conduct board meetings in a language other than English.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	N/A	This recommendation is not applicable to OptiComm as it is not a foreign registered entity.
9.3	A listed entity established outside Australia, and an externally managed 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	N/A	This recommendation is not applicable to OptiComm as it is not a foreign registered entity nor is it an externally managed entity.

²⁷ "Key corporate documents" include an entity's constitution, prospectus, PDS, corporate reports and continuous disclosure announcements.