

Rules 4.7.3 and 4.10.3¹

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

QANTM INTELLECTUAL PROPERTY LIMITED

ABN/ARBN

612 441 326

Financial year ended

30 June 2019

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: <http://gantmip.com/about-qantm/governance/>

The Corporate Governance Statement is accurate and up to date as at 25 October 2019 and has been approved by the board.

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



HASAKA MARTIN
Company Secretary
25 October 2019

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.

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 ...	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... 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):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://qantmip.com/about-qantm/governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(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:</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://qantmp.com/about-qantm/governance/</p> <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ...	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <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>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ...
<p>2.3 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, 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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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 ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://qantmp.com/about-qantm/governance/</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://qantmp.com/about-qantm/governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>In the Company's 2019 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 ...
	the external auditor and the rotation of the audit engagement partner.	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: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://qantmip.com/about-qantm/governance/	<input type="checkbox"/> 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 ...
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: <input checked="" type="checkbox"/> at this location: http://qantmp.com/about-qantm/governance/	<input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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;	[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): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> 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 ...
<p>(4) the members of the committee; and</p> <p>(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</p> <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>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://qantmip.com/about-qantm/governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>In the Company's 2019 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.3 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; OR</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 risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

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 ...	
	<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>		
7.4	<p>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.</p>	<p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://qantmip.com/about-qantm/governance/</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: In the Company's 2019 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> 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 ...
	executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location:	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> 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): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> 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 ...
<p>- <i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



QANTM Intellectual Property Limited

2019 Corporate Governance Statement



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THE BOARD OF QANTM INTELLECTUAL PROPERTY LIMITED



Board members

Left to right: Abigail Cheadle, Richard England, Cameron Judson, Leon Allen, Sonia Petering

The Directors and Management of QANTM Intellectual Property Limited (**QANTM** or the **Company**) and its controlled entities (the **Group**) are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (*Third Edition*) (**Recommendations**), to the extent appropriate to the size and nature of the Group's operations.

This statement details the Company's compliance with the Recommendations during the financial year ended 30 June 2019. To the extent that the Company does not comply fully with the Recommendations, this statement explains the reasons for that approach.

The Board is responsible for the overall corporate governance of the Company, including overseeing the application of appropriate policies and procedures designed to ensure that the Company is properly managed and to protect and enhance shareholder interests. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial returns, and sustaining the growth and success of QANTM.

The Company's corporate governance policies and the Charters for the Board and each of its Committees are available on the Company's website (<http://qantmip.com/about-qantm/governance/>) (**Website**).



PRINCIPLE 1

Lay solid foundations for management and oversight

1.1 Role of the Board and Management

The Board is accountable to the Company's shareholders and has overall responsibility for the performance of the Company, monitoring the execution of the Company's strategy, and the implementation of sound corporate governance policies and practices. The Company has adopted a Board Charter (which is available on the Website) that sets out the functions and responsibilities of the Board.

The Chief Executive Officer/Managing Director (**CEO/MD**) oversees the day-to-day management of the business. The CEO/MD has been delegated the authority to manage QANTM in accordance with the strategy, plans and policies approved by the Board.

Responsibilities specifically delegated to the CEO/MD are outlined in the Board Charter.

1.2 Director election and re-election

The composition, structure and proceedings of the Board are primarily governed by the Company's Constitution and the Australian Corporations Act. The Board comprises a majority of independent non-executive directors. QANTM undertakes appropriate due diligence in respect of prospective candidates before appointing a person as a Director, or proposing a person to its shareholders as a candidate for election as a director.

Prior to each Annual General Meeting, the Company provides information to shareholders about directors seeking re-election and about candidates for election as a Director, to enable shareholders to make an informed decision on whether or not to re-elect or elect the director, including:

- information as to relevant qualifications and experience and the skills they bring to the Board;
- details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on board matters;

- the term of office already served by the director (if applicable); and
- the Board's view on whether the candidate will be considered to be an independent director.

1.3 Agreements outlining terms of appointment

QANTM has agreements with each director and senior executive, setting out the terms of their appointment. Each of QANTM's directors has signed a letter of appointment and each of QANTM's senior executives is employed under an employment agreement.

1.4 Company Secretary

The Company Secretary is responsible for co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings. Further details in relation to the Company Secretary's role are set out in QANTM's Board Charter.

The appointment and removal of the Company Secretary is a matter for decision by the Board.

The Company Secretary is accountable to the Board, through the Chair, on all matters relating to the proper functioning of the Board.



PRINCIPLE 1 (cont.)

Lay solid foundations for management and oversight

1.5 Diversity

The Company is committed to creating an inclusive culture where differences are valued. The Company’s Diversity and Inclusion Policy:

- (a) supports QANTM’s commitment to an inclusive workplace that embraces and values diversity;
- (b) provides a framework for new and existing diversity-related initiatives, objectives, strategies and programs within the businesses of the Group; and
- (c) supports the Group’s commitment to informing shareholders regarding its progress towards implementation and achievement of its diversity objectives.

The QANTM Group is committed to enhancing diversity through achieving the following objectives:

- (i) Increasing awareness across the Group about diversity and the benefits of a diverse and inclusive workforce.
- (ii) Increasing diversity at senior levels across the Group.
- (iii) Maintaining policies which support and promote flexible working and which are understood and promoted across the Group.
- (iv) Striving for a workplace free from discrimination and sexual harassment through ongoing training and a robust approach to complaint resolution.
- (v) Addressing systemic and individual unconscious biases in order to create a diverse and inclusive culture, to reduce the potential for unconscious bias in decision-making. Over 50% of QANTM employees participated in unconscious bias workshops during the 2019 Financial Year.
- (vi) Engaging with our people in the development and implementation of diversity and inclusion programs.
- (vii) Integrating diversity and inclusion considerations and content into our business processes and practices with particular focus on people and talent management, client relations and business development, communications and supplier diversity.

During the 2019 Financial Year, the following relevant activities were undertaken in various of our operating subsidiaries:

- training with respect to Appropriate Workplace Behaviour, Unconscious Bias and Anti-Sexual Harassment;
- an updated Flexible Working Policy;
- establishment of a Diversity and Inclusion Committee and four related working groups focusing on Working Flexibly, Inclusive Culture and Confidence, Policies, and Career Development and Progression, with a dedicated company intranet page (including meeting agendas and minutes to allow personnel to keep abreast of initiatives and progress);
- Davies Collison Cave became a member of the Australian Legal Sector Alliance (AusLSA), an industry-led association working collaboratively to promote best practice sustainability commitments and performance across the legal sector, including with respect to sustainable and inclusive workplaces.

As a "relevant employer" under the Workplace Gender Equality Act 2012 (**WGEA**), QANTM has submitted a Workplace Gender Equality Report for the 2018/2019 reporting period, with respect to its Australian workplaces. The submission includes details of the Company’s Gender Equality Indicators and is available on the Website.

QANTM did not set quantitative objectives with respect to diversity for the period. The percentage of women in key job categories (using the criteria in place for WGEA reporting in Australia) across the QANTM Group in the last three financial periods has been as follows:

Category	2017	2018	2019
Board	40%	40%	40%
Senior Managers / Executives	12%	17%	22%
Professional staff	52%	53%	60%
Whole organisation	67%	66%	68%



PRINCIPLE 1 (cont.)

Lay solid foundations for management and oversight

QANTM is committed to continuing to integrate diversity and inclusion considerations and content into our business processes with respect to management, recruitment, retention and talent management, to provide access to equal opportunities at work based on merit. For FY2020, QANTM's objectives with respect to gender diversity are to:

- maintain Board representation of not less than 30% women, 30% men and the remainder of either gender (in line with the recommendation to be introduced in the 4th Edition of the ASX Corporate Governance Principles and Recommendations); and
- increase the representation of women at senior manager/executive level within the QANTM Group for continuing operations.

1.6 Board Performance Evaluation

The directors undertake an annual process to review the performance and effectiveness of the Board and individual directors. In connection with the performance evaluation undertaken with respect to the reporting period, the Chair discussed Board effectiveness with each director as well as certain senior management personnel, and each director completed a questionnaire relating to the Board's role, composition, procedures, practices and behavior. The questionnaires were confidential. The Chair led a discussion of the questionnaire results with the Board as a whole and provided feedback to individual directors as necessary.

1.7 Senior Executive Performance Evaluation

A committee established by the Board - the People, Remuneration and Culture Committee (**PRCC**) - is responsible for reviewing and making recommendations to the Board on senior executive remuneration and incentive policies and practices, and as to the total remuneration (including incentive awards and equity awards) based on assessment of the performance against relevant criteria.

The PRCC annually conducts a performance evaluation of the Managing Director to assess whether the Managing Director has met his key performance indicators set in the previous year, using a balanced scorecard approach.

Further information on performance measures and assessments for Key Management Personnel can be found in the Remuneration Report contained in the Annual Report.



PRINCIPLE 2

Structure the Board to add value

2.1 Nomination Committee

QANTM does not have a separate Nomination Committee. The Board is charged with those responsibilities that a Nomination Committee would ordinarily deal with.

The Board Charter, published on the Website, sets out the Board’s responsibility for:

- identifying and recommending to the Board candidates for the Board including the Chief Executive Officer and Managing Director;
- identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- establishing processes for identifying suitable candidates for appointment to the Board to facilitate an appropriate mix of expertise, experience and to support succession of the Board;
- preparing, reviewing and updating on a regular basis a director’s education and skills enhancement program;
- ensuring that succession plans for Board and senior executives are in place; and
- recommending the removal of directors.
- reviewing the performance of the Chief Executive Officer and Managing Director annually;
- conducting an annual review of the performance of the Board, both collectively and individually, the effectiveness of processes of the Board and its committees, and the skills of the Board to ensure that the Board maintains a sufficient number of directors with an appropriate skills mix; and
- developing and ensure the implementation of continuing education programs for directors.

The objectives of the PRCC include to help the Board fulfil its objective that the Company has a Board possessing an appropriate range of skills, experience and expertise to discharge effectively its responsibilities and duties.

The composition requirements and current membership of the PRCC is set out below:

PEOPLE, REMUNERATION AND CULTURE COMMITTEE	
Composition Requirements	Membership during FY19
At least three members, all of whom are non-executive directors and the majority of whom are independent directors. The PRCC chair must be an independent, non-executive director.	Cameron Judson (Chair) Abigail Cheadle Sonia Petering

The number of PRCC meetings held and attended by each member is disclosed in the “Meetings of directors” section of the Directors’ Report in the Annual Report.



PRINCIPLE 2 (cont.)

Structure the Board to add value

2.2 Board Skills

The Board has adopted a skills matrix, which is used to:

- identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfill its role and in light of the Company’s strategic direction;
- ascertain the current skills, knowledge, experience and capabilities of the Board, and provide the incumbent directors with an opportunity to reflect upon and discuss the current composition; and
- identify any gaps in skills or competencies that can be addressed in future director appointments.

The skills matrix is reviewed annually by the Board to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company’s circumstances and strategic priorities.

The Board considers that it currently has an appropriate mix of skills and that it comprises directors who collectively have the skills, knowledge and experience to govern and direct the Company effectively.

During the 2019 financial year, the Board assessed each Director’s skills level against the following key skills set out in the Board skills matrix:

- Strategy;
- Finance;
- Operations;
- Industry Experience;
- Sales and Marketing;
- Capital Markets;
- Mergers and Acquisitions;
- People and Performance;
- Legal, compliance and risk management;
- Technology; and
- Corporate Governance

In addition to the skills and experience set out in table below, the Board considers that each director has the following attributes:

- Honesty and integrity;
- The ability to think strategically;
- The time available to devote to the business;
- A willingness to question and challenge; and
- A commitment to the highest standards of governance.

Biographies of all directors are included in the Directors’ Report in the Annual Report.

2.3 Director independence

At the date of this report, the Board comprises five directors as follows:

Director	Independent status	Appointment date
Richard England (Chair)	Independent non-executive director	17 May 2016 (re-elected at AGM 29 November 2018)
Leon Allen	Managing Director (not considered independent)	17 May 2016
Abigail Cheadle	Independent non-executive director	9 June 2016 (re-elected at AGM 17 November 2017)
Cameron Judson	Independent non-executive director	9 June 2016 (re-elected at AGM 17 November 2017)
Sonia Petering	Independent non-executive director	9 June 2016 (re-elected at AGM 17 November 2017)

There are currently four non-executive directors, Richard England, Abigail Cheadle, Cameron Judson and Sonia Petering, and the Board considers each of them to be independent. In determining the independence of a director, reference is made to the criteria established by the ASX Corporate Governance Council.



PRINCIPLE 2 (cont.)

Structure the Board to add value

Mr Leon Allen serves as a full-time executive of the Company, in the role of Chief Executive Officer and Managing Director, and is accordingly not considered to be an independent director.

As announced in October 2019, Mr Allen is retiring as Chief Executive Officer / Managing Director and will be succeeded in those roles by Mr Craig Dower, who will commence employment with the Company in January 2020. The Chair has indicated the Board's intention to appoint Mr Allen to the Board as a non-executive director at an appropriate time after his retirement. Mr Allen will not be considered to be an independent director upon such appointment, given his current employment with the Company in an executive capacity.

In order to facilitate independent judgement in decision-making, each director has the right to seek independent professional advice, at the Company's expense, with respect to matters relevant to the exercise of their role as directors.

The Board regularly assesses whether each non-executive director is independent and if a director's independence status changes, this is disclosed to the market in a timely manner. Directors are required to keep the Board advised of any interest that may conflict with those of the Company, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate, when a conflict has been identified.

The Company has also entered into a deed of disclosure with each director, which is designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests in QANTM securities. Directors and their nominated related party shareholdings are also monitored to identify changes that may require urgent disclosure.

Standing items at each Board meeting include:

- Directors' Shareholding Register; and
- Directors' Standing Notice Register.

2.4 Majority of directors independent

Throughout the reporting period, the majority of the Board were independent directors.

2.5 Chair of the Board to be an independent director

The Board Charter requires that the Chair of the Board be an independent non-executive director, and not be the same person as the Managing Director.

The Board considers that Mr Richard England, the Company's Chair, is an independent director and there is a clear division of responsibility between the Chair and the CEO/MD.

2.6 Induction of directors and professional development

The following protocols are in place to ensure that the Board is able to perform appropriately and discharge its duties efficiently:

- New directors are fully briefed on the business, its financial position, any material risks, the structure and functions of the Board and the structure of management and are provided with a copy of the Company's Corporate Governance documentation.
- Directors are given direct access to management and to the Company Secretary. These individuals are instructed to provide directors with any and all information reasonably requested of them in a timely and comprehensive fashion.
- Directors are given the opportunity to seek reasonable independent, external advice at the Company's expense if circumstances warrant such advice and the Company offers directors an opportunity to undertake relevant external professional development programs.



PRINCIPLE 3

Act ethically and responsibly

3.1 QANTM Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct and has adopted a formal Code of Conduct which is to be followed by the Board and senior executives, being employees who have the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of QANTM. The QANTM Code of Conduct (the **Code**) is intended to:

- articulate the high standards of honesty, integrity, ethical and law abiding behaviours expected of senior executives;
- encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors);
- guide senior executives as to the practices regarded as necessary to maintain confidence in the QANTM Group's integrity; and
- set out the responsibility and accountability of senior executives to report and investigate any reported violations of the Code or unethical or unlawful behaviour.

A copy of the Code is available on the Company's Website.



PRINCIPLE 4

Safeguard integrity in corporate reporting

4.1 Audit, Risk and Compliance Committee

An independent Audit, Risk and Compliance Committee (**ARCC**) has been established by the Board to protect the integrity of financial reports as well as to monitor and review the effectiveness of the Company's structures in the areas of operational risk and legal and regulatory compliance.

The ARCC operates in accordance with a Charter adopted by the Board. The Charter sets out the roles and responsibilities, as well as the structure and composition, of the ARCC. The Charter is available to view on the Company's Website.

The Board is responsible for appointing members of the ARCC. The ARCC's current membership and the independence of the members are as follows:

AUDIT, RISK AND COMPLIANCE COMMITTEE	
Composition Requirements	Membership
At least three members, all of whom are non-executive and independent. The Committee chair should be an independent non-executive director. All members should be financially literate, at least one member must have financial and accounting expertise and all members must have an understanding of the industry in which QANTM operates.	Abigail Cheadle (Chair) Cameron Judson Sonia Petering

The number of ARCC meetings held and attended by each member of the Committee is disclosed in the 'Meetings of directors' section of the Directors' Report in the Annual Report. All Directors have a standing invitation to attend meetings of the ARCC.

The full biographies of all directors are included in the Directors' Report.

4.2 Declaration from Chief Executive Officer / Managing Director and Chief Financial Officer with respect to the Company's Financial Statements

Prior to the approval by the Board of the Company's financial statements in relation to the financial year ended 30 June 2019 and the half-year ended 31 December 2018, the Company's CEO/MD and Chief Financial Officer (**CFO**) provided the Board with declarations to the effect that, in their opinion:

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

The Board intends to continue to seek such assurances prior to approving the annual financial statements for all half year and full year results.

4.3 External auditor attendance at AGM

The engagement partner for QANTM's external auditor attends the Company's annual general meeting and is available to answer questions from Shareholders on:

- the conduct of the audit and the preparation and content of the external auditor's report;
- accounting policies adopted by QANTM in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.



PRINCIPLE 5

Make timely and balanced disclosure

5.1 QANTM's Continuous Disclosure Obligations

The Company has established a Market Disclosure Protocol, which is available on the Website.

The objective of this Protocol is to:

- procure that the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act;
- confirm that officers and employees are aware of the Company's continuous disclosure obligations; and
- establish procedures for:
 - the collection of all potentially price-sensitive information;
 - assessing if information must be disclosed to ASX under the ASX Listing Rules or the Corporations Act;
 - releasing to ASX information determined to be price-sensitive information and to require disclosure; and
 - responding to any queries from ASX (particularly queries under Listing Rule 3.1B).

The Board is responsible for ensuring that QANTM complies with its continuous disclosure obligations. To assist the Board in this obligation, it has established a Market Disclosure Committee, the membership of which includes each Director, the CEO/MD, the CFO and the Company Secretary, with the quorum requiring three members, including either the Company's Chair or the CEO/MD. The responsibilities of the Market Disclosure Committee are set out in the Market Disclosure Protocol.



PRINCIPLE 6

Respect the rights of shareholders

6.1 Information to investors about QANTM

QANTM informs shareholders of all major developments affecting the Group's state of affairs as follows:

- all relevant market announcements are accessible through the Company's Website after they have been released through the ASX Market Announcements Platform;
- all corporate governance policies and Charters adopted by the Board are available through the Company's Website;
- information provided to analysts or through media during briefings is released through the ASX and made available through the Company's Website; and
- the full text of notices of meeting and explanatory material is accessible through the Company's Website.

6.2 & 6.3 Investor Relations and shareholder meetings

The Company is committed to maintaining direct, open and timely communications with all shareholders.

Information is communicated to shareholders through:

- the publication of the annual and interim financial reports;
- disclosures through the ASX Market Announcements Platform;
- notices of general meetings and explanatory memoranda;
- updates and announcements to inform shareholders of key matters of interest issued on a needs basis;
- presentations to analysts (which are made available to all shareholders via the Website); and
- the Annual General Meeting.

QANTM's next Annual General Meeting will be held on 28 November 2019. An explanatory memorandum on the resolutions to be considered at the Annual General Meeting will be included with the notice of meeting and unless specifically stated in the notice of meeting, all shareholders will be eligible and are encouraged to vote on all resolutions. A copy of any presentation to the Annual General Meeting will be released through the ASX upon the commencement of the Annual General Meeting and the outcome of voting on resolutions at the meeting will be released to the market after the conclusion of the meeting. Both documents will also be available on the Company Website.

In the event that shareholders cannot attend formal meetings, they will be able to lodge a proxy by mail or online, in accordance with the Corporations Act.

6.4 Electronic communications with shareholders

QANTM's shareholders are able to elect to receive communications from, and send electronic communications to, QANTM and its security registry electronically.

Contact details for the Company and its security registry are published under the 'Contact Us' tab on the Company's Website.



PRINCIPLE 7

Recognise and manage risk

7.1 & 7.2 Risk Committee and Risk Management Framework

The Board is responsible for setting the risk appetite for the Company, confirming that the Company has in place appropriate frameworks for risk management and appropriate controls in accordance with the risk appetite within which the Board expects management to operate.

The Board has established an Audit, Risk and Compliance Committee (**ARCC**), to which it has delegated the responsibility for overseeing the establishment and implementation of risk management systems (with respect to both financial and non-financial risks) and confirming that there is a mechanism for assessing the efficiency and effectiveness of those systems. The Charter for the ARCC is available through the Company's website.

All material risks affecting the Company, including both financial and non-financial matters, are considered by the ARCC. All directors and senior management are encouraged to review the business for risk on an ongoing basis and to raise any risk issues of concern with members of the ARCC. These protocols form the basis for the risk management system.

The ARCC reviews and assesses the Company's risk management framework annually and reviews the implementation, management and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols and internal controls.

The ARCC's current membership and confirmation of the independence of its members are set out in section 2.1 of this Statement.

The number of ARCC meetings held and attended by each member of the Committee is disclosed in the 'Meetings of directors' section of the Directors' Report in the Annual Report. All Directors have a standing invitation to attend meetings of the ARCC.

The Company has controls at the Company and operating levels that are designed to safeguard the Company's interests and ensure the integrity of its reporting. These include accounting, financial reporting, tax risk management systems, safety, health and environment and other internal policies

and procedures, which are directed at ensuring the Company fully complies with all regulatory requirements and community standards.

The Company's external auditors provide the ARCC with a report detailing any identified risk items at the completion of each half-year and full-year review. The ARCC discusses the report together with the auditors, with any material items being referred to the Board.

In accordance with the Company's risk management framework, management conducted a review of the risk register and action plans for the year ended 30 June 2019.

7.3 Internal audit

The Company does not currently have a formal internal audit function, and does not currently consider that a separate internal audit function is required given the size and nature of its business operations. Responsibility for risk management is assigned to management, who report to the Audit, Risk and Compliance Committee.

7.4 Exposure to Economic, Environmental and Social Sustainability Risks

Although the Company does not consider that it has material exposure to environmental sustainability, and the environmental impact of the Company's activities is minimal, the Company adopts the approach of a responsible corporate citizen with regard to environmental matters, with environmental sustainability initiatives including:

- management of disposal of packaging, office paper, computers and obsolete IT equipment to ensure compliance with applicable legislation.
- minimising the use of paper by electronic client records wherever local legislation and operational process allows, reductions in marketing collateral, elimination of hard copy Board and committee papers, and recycling activities undertaken where possible.

QANTM is not a significant consumer of electricity, water or gas and accordingly the opportunities for material reductions in power consumption are limited.

The key risks with respect to economic and social sustainability of QANTM's business are as follows:



PRINCIPLE 7 (cont.)

Recognise and manage risk

RISK	DESCRIPTION AND MANAGEMENT OF RISK
<p>Competition</p>	<p>The Company operates in sectors that are subject to vigorous competition based on factors including price, responsiveness, service delivery (including increased use of technology), and the ability to provide clients with an appropriate range of IP services. Actions by existing competitors, entry of new competitors, insourcing of IP services by key clients, changing client expectations (including an expansion of fixed price requirements and reduced tolerance for scale charges) or failure by the Company to meet changing market conditions could adversely impact the Company's competitive position which may result in a decline in service charges and margins of the Company, which may have a material adverse effect on the financial results.</p> <p>The Company undertakes a number of activities to provide effective client service, develop and enhance client relationships and continue to provide a broad range of IP services.</p>
<p>Regulatory</p>	<p>IP regulation is subject to ongoing change as it endeavours to stay apace with rapid technological advancement. Any material changes to the Australian or international legislation, regulations, treaties or general law in relation to the IP regime has the potential to adversely affect the Company.</p> <p>This could include any legislative or regulatory changes that have the effect of removing or diminishing the rights and privileges granted exclusively by statute to Australian patent attorneys, or local "address for service" requirements. An example of potential diminution in the role performed by QANTM as a local agent is the proposal currently under consideration to extend the ePCT system for filing international patent applications to the subsequent "national phase" entry stage. It is currently not known when or if the ePCT system will be extended in this way, or if IP Australia would participate in any such extension, however, if implemented, this proposal may have a significant adverse impact on revenue currently derived by QANTM from the national phase entry process step.</p> <p>Further, the majority of patent applications are separately examined in each country or region in which the applications are filed. QANTM derives substantial revenue from the substantive examination process in Australia, New Zealand and other jurisdictions. There is a long-term international trend toward harmonisation of patent examination regimes. Various proposals have been discussed, and in some cases implemented, with the aim of minimising duplication of effort across multiple offices and improving consistency of examination outcomes, subject to variations in local laws. Any harmonisation regime that has the effect of diminishing IP services that QANTM provides in connection with these patent examination processes may have an ambitious impact on revenue and profitability.</p> <p>The boundaries of patentable subject matter continue to evolve as a result of technological innovation, legislative changes and judicial interpretation. Material changes to the regulatory landscape or the interpretation of the regulatory framework may adversely affect QANTM's revenue by narrowing the scope of patentable subject matter, and hence potentially the number of patent applications filed in particular technical fields.</p> <p>The Company continually monitors regulatory and legal issues affecting the Company's business and implements any changes to operations necessary to comply.</p>
<p>Attraction, engagement and retention of high performing professionals</p>	<p>The nature of the services provided by the Group are fundamentally based on the intellectual knowledge, industry experience and client knowledge of key professional staff. The Group relies on attracting, engaging and retaining its high performing principals and professionals to offer a broad skill set to its clients. The loss of key professionals poses a risk to the quality of the Group's service offering and potential revenue generation. Management continually considers approaches to attract, engage, retain and facilitate the career and professional development of key personnel. This includes facilitating professional development through education, courses and involvement in professional associations; promotion of individuals on an annual basis – including to Principal – and where, practicable, role or geographical rotation. Offering a fulfilling work environment and rewarding work, and embracing diversity and inclusion through the initiatives outlined in section 1.5 of this Report, and remunerating fairly, including through the new</p>



RISK	DESCRIPTION AND MANAGEMENT OF RISK
	<p>remuneration arrangements for principals associated with the partnership, referenced in the Remuneration Report section of QANTM’s Annual Report, are key elements of engagement. A process of determining succession planning arrangements for key personnel, including the Chief Executive Officer is a priority. Principals (apart from those Principals who received equity upon QANTM’s IPO) also participate in an employee share plan.</p>
<p>Professional liability</p>	<p>The nature of IP services and legal services offered by the Company give rise to the risk of potential liability for negligence or other claims.</p> <p>The Company maintains file management and administrative management processes which are highly controlled and regularly reviewed together with quality assurance processes to ensure high level standards of professional service is maintained. The Company also has in place a comprehensive insurance program, including professional indemnity insurance.</p>
<p>Foreign exchange risk</p>	<p>A substantial part of the Company’s revenue is generated and expenses incurred in US dollars. An adverse change in the AUD/US dollar exchange rate could adversely impact revenue and earnings, with the financial reports for the Company denominated in Australian dollars.</p> <p>The Company has in place and utilises foreign currency hedging facilities as part of its bank facilities and monitors the foreign currency exposures that arise from its foreign currency revenue, expenditure and cash flows.</p>
<p>Cyber Security</p>	<p>QANTM takes cyber security and its potential consequences extremely seriously.</p> <p>QANTM’s business is heavily dependent upon computerised technology platforms, including customised electronic case management, document management, file management, client relationship management and reporting systems. If the Group’s ICT systems suffer severe damage, disruption or shutdown and the issues are not effectively resolved in a timely manner, then the Group’s revenue, financial condition and results of operations may be materially and adversely affected and the Group may breach regulatory requirements. Any failure of the Group’s ICT systems may result in the inability to file or prosecute the IP rights of their clients within statutory deadlines. Such a failure could result in the Group’s clients forfeiting IP rights to which they would have otherwise been entitled. These events could lead to financial loss for the Group in the event that aggrieved clients initiate legal action against the Group. Depending on the circumstances the Group’s insurance may be insufficient to cover some or all of the loss incurred.</p> <p>The Company relies on software integration, interfaces and communication platforms to manage its businesses in an efficient manner and has comprehensive security arrangements in place to prevent attempted attacks. The application of automation and deeper integration is a key objective and accordingly the management of cyber security risk and continual improvement in system security is a significant priority for management.</p> <p>There is a residual risk that QANTM’s backup protocols, inbuilt redundancies, restoration procedures and data recovery plans may not be adequate to enable timely recovery in all conceivable circumstances, including natural disasters, acts of terrorism or war, failure of utilities, sabotage, including breaches of cyber security and malicious hacking, or system failure due to other causes. A serious breach of privacy caused by a cyber-attack could result in damage to brand reputation, financial loss and permanent loss of revenue. Levels of redundancy and backup are built into IT systems to provide system availability and protection of data.</p>
<p>Acquisitions</p>	<p>The Company’s growth strategy involves growth by potential acquisitions of other intellectual property businesses or lateral hires of professionals. There are risks of acquisitions or professionals hired not attaining benefits expected, or poor integration into the Company.</p> <p>QANTM’s growth strategy includes a focus on growth in Asia. QANTM operates intellectual property businesses in Malaysia and Singapore, and is exposed to adverse changes in the competitive environment in those markets, and to risks associated with regulatory approaches and changes and operating and economic conditions in those markets.</p> <p>The Company undertakes extensive due diligence of any potential acquisition target or lateral hire and engages professional experts to advise and assist where necessary.</p>



PRINCIPLE 8

Remunerate fairly and responsibly

8.1 People, Remuneration and Culture Committee

The Company has established a People, Remuneration and Culture Committee (**PRCC**), the objective of which is to help the Board fulfil its statutory, fiduciary and regulatory responsibilities, and achieve its objectives that the Company:

- (a) has a Board possessing an appropriate range of skills, experience and expertise to discharge effectively its responsibilities and duties;
- (b) has in place and operates to coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- (c) fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment; and
- (d) maintains a culture which supports high standards of corporate governance and ethical conduct for the Group.

The PRCC operates pursuant to a Charter which is available on the Company's Website.

The Board appoints the members of the PRCC, and details of the current membership and the independence of the members are set out at section 2.1 of this Statement.

The number of PRCC meetings held and attended by each member of the Committee is disclosed in the 'Meetings of directors' section of the Directors' Report in the Annual Report.

8.2 Remuneration of executive and non-executive directors and senior executives

Details of the remuneration of directors and key senior executives are set out in the Remuneration Report section of the Directors' Report in the Annual Report.

The Company's policies are designed to attract and maintain talented and motivated employees as well as raising the level of performance of the Company.

Non-executive directors are remunerated by way of fees which are set with reference to prevailing market rates. They do not participate in the schemes designed for the remuneration of executives, nor do they receive bonus payments or any retirement benefits other than statutory superannuation.

8.3 Equity based remuneration

QANTM has had in place since its ASX listing an Employee Incentive Plan to provide eligible employees with the opportunity to acquire performance rights or shares, to encourage greater productivity from directors and management and to better enable the Group to retain key personnel in a competitive environment in order to create long term value for shareholders.

QANTM has also established an employee share trust (**EST**) for the benefit of certain key employees, mainly employees who were promoted or recruited into the role of principal at or after the Company's IPO in August 2016. The EST is intended to provide an incentive for participating employees to maximise their contributions to QANTM and to enable them to share in the future growth in the value of QANTM.

Under the EST, selected key employees, nominated by the Company are provided with an opportunity to acquire a beneficial interest in fully paid QANTM shares (through the EST). Contributions are paid by QANTM to the EST, which will use those funds to effect an acquisition of QANTM shares for the benefit of the relevant employee under the terms of the EST. The shares will generally be acquired on market by the trustee of the EST (which is not a member of the QANTM Group), but may be issued by QANTM to the trustee of the EST. The relevant employees may not sell the shares held on their behalf for a period of time.



PRINCIPLE 8 (cont.)

Remunerate fairly and responsibly

The EST contemplates that the benefits received by participants may be influenced by certain performance hurdles. QANTM's Share Trading Policy provides that employees may not use "Derivatives" (a term defined broadly) in a way which would have the effect of providing greater benefit than would otherwise have been realized in respect of unvested QANTM securities.

The QANTM Share Trading Policy is available on the Company's Website.

This Corporate Governance Statement was approved by the Board on 17 October 2019.