

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MONTECH HOLDINGS LIMITED

ABN / ARBN:

94 050 240 330

Financial year ended:

30 JUNE 2015

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: [www.moq.com.au/corporate-governance/](http://www.moq.com.au/corporate-governance/)

The Corporate Governance Statement is accurate and up to date as at 29 September 2015 and has been approved by the board.

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

Date: 29/09/2015

Name of Director or Secretary authorising  
lodgement: Brad Cohen (Company Secretary)



<sup>1</sup> 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.

<sup>2</sup> "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.

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

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

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... 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): <input type="checkbox"/> in the Corporate governance statement.	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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 ... <sup>4</sup>
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 type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></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 ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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 ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <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 ... <sup>4</sup>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</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 ... <sup>4</sup>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(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</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>	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 ... <sup>4</sup>
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 <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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 <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
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 [insert location]	<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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" 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 <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <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 <b>OR</b> <input type="checkbox"/> at [insert location]	<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 ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of 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 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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>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 board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" 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 ... <sup>4</sup>
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; 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):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></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 ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</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 executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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 ... <sup>4</sup>
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; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<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 <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

**MONTECH HOLDINGS LIMITED**  
**AND ITS CONSOLIDATED ENTITIES**  
**ACN 050 240 330**

**Corporate Governance Statement for the financial year  
ended 30 June 2015**

## Overview

The objective of the Board of Directors (**Board**) of Montech Holdings Limited (**Company**) is to build, develop and acquire complementary Cloud focused technology businesses in order to generate long term sustainable returns for shareholders.

The Board is responsible for the overall corporate governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making. Accordingly, the Company has, where appropriate, sought to adopt the “Corporate Governance Principles and Recommendations” (Third Edition) (**ASX Recommendations**) published by the ASX Corporate Governance Council.

This statement outlines the main corporate governance practices in place, which comply with the ASX Recommendations, unless otherwise stated. The Company has followed each of the ASX Recommendations where the Board has considered the practices appropriate, taking into account factors such as size of the Company and Board, the resources available, and the activities of the Company.

The Company’s corporate governance policies and practices are reviewed regularly and will continue to be developed and refined to meet the needs of the Company. The Company also includes information about its corporate governance practices on the Company’s website at [www.moq.com.au/corporate-governance/](http://www.moq.com.au/corporate-governance/) including the Board charter, Code of Conduct and other policies and procedures relating to the Board and its responsibilities.

## ASX Corporate Governance Principles and Recommendations

### 1. **Principle 1: Lay a solid foundation for management and oversight**

#### 1.1 **Recommendation 1.1**

A listed entity should disclose:

- (a) the respective roles and responsibilities of its board and management; and
- (b) those matters expressly reserved to the board and those delegated to management.

#### ***Compliance with ASX Recommendation: followed***

The Board is responsible for charting the strategy and financial objectives for the Company, monitoring the implementation of those policies, strategies and financial objectives, and monitoring compliance with regulatory requirements and ethical standards.

The Board has the following specific responsibilities:

- (a) considers and approves the strategy of the Company;
- (b) adopts an annual budget and monitors financial performance including approving the annual and half year financial statements and reports;
- (c) approves major investments and monitors the return on those investments;
- (d) monitors the adequacy, appropriateness and operation of internal controls including reviewing and approving the Company’s compliance systems and corporate governance principles;
- (e) provides continuous disclosure of information to the investment community, and

- makes available information shareholders can reasonably require to make informed assessments of the Company's prospects;
- (f) reviews and monitors significant business risks and oversees how they are managed;
- (g) monitors the conduct of the relationship with key regulators to meet the Company's obligations;
- (h) determines delegations to Committees, subsidiary boards and management and approves transactions in excess of delegated levels;
- (i) appoints and reviews the performance of the Chairman, CEO and COO including overseeing the remuneration, development and succession planning for the Chairman, CEO and COO and management, while overseeing the operation of appropriate human resource management systems including remuneration;
- (j) assesses its own performance and that of individual Directors;
- (k) selects and appoints new Directors;
- (l) considers, approves and endorses major policies of the organisation including a code for ethical behaviour and social responsibility;
- (m) oversees the implementation of appropriate work health and safety systems; and
- (n) protects and oversees the enhancement of the reputation of the Company.

## 1.2 Recommendation 1.2

A listed entity should:

- (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.

### ***Compliance with ASX Recommendation: followed***

In respect of any new Directors, the Company conducts specific checks of candidates prior to their appointment or nomination for election by shareholders.

The Chairman, Mr David Shein, and the other Non-executive Directors, Mr Joseph Fridman, Mr Jonathan Pager and Mr Michael Pollak have been directors since the recapitalisation and reinstatement of the company to the ASX Official List on 25 July 2014 as Montech Holdings Limited (the Company was formerly named Sirius Corporation Limited). The Chairman and the incumbent Directors assessed each of the Directors appointed during the reporting period, prior to their election or appointment, and they consider that each candidate had appropriate experience that was of value to the Company and had a strong professional reputation in their relevant industry.

As a matter of practice, the Company includes in its notices of meeting a brief biography of each Director who stands for election or re-election. The biography sets out the relevant qualifications and professional experience of the nominated Director for consideration by shareholders. This information is also included on the Company's website.



### 1.3 Recommendation 1.3

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

#### ***Compliance with ASX Recommendation: followed***

The Company seeks to engage or employ its Directors and other senior executives under written agreements setting out key terms and otherwise governing their engagement or employment by the Company.

The Company's Executive Directors are each employed pursuant to a written employment agreement with the Company and each Non-executive Director is engaged under a letter of appointment.

### 1.4 Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

#### ***Compliance with ASX Recommendation: followed***

The Company Secretary reports directly, and is accountable, to the Board through the Chairman in relation to all governance matters.

The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and coordinates circulation of meeting agendas and papers.

### 1.5 Recommendation 1.5

A listed entity should:

- (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
- (b) disclose that policy or a summary of it; and
- (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
- (d) 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
- (e) 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.

***Compliance with ASX Recommendation: not followed***

Due to the stage of development of the Company during the reporting period, the Board did not deem it necessary to have a diversity policy. Since the conclusion of the reporting period, the Board has approved a Diversity Policy, which sets out the commitments, key principles and diversity initiatives for the Company. Whilst the Company's vision for diversity incorporates a number of different factors, at a Board and senior management level, gender and cultural diversity have been identified as key areas of focus for the Company. A copy of this policy is now available on the Company's website.

At all levels, the Company employs a broad mix of individuals reflecting our philosophy of hiring the best candidate for all positions, at all levels irrespective of gender, age, disability, cultural background, religious beliefs or sexual orientation. The objective of the Company is to embrace the diversity of skills, ideas and experiences of each individual whilst ensuring the company's business objectives are met.

The Company is committed to embedding a corporate culture that embraces diversity through:

- recruitment and selection based on merit;
- complying at all times with equal opportunity and anti-discrimination requirements;
- encouraging management involved in recruitment to consider workplace diversity when making selection decisions; and
- ensuring its recruitment process is accessible to all candidates by advertising positions broadly and by using professional recruitment agencies where required.

**1.6 Recommendation 1.6**

A listed entity should:

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

***Compliance with ASX Recommendation: not followed***

The Company does not have in place a formal process for evaluation of the Board, its committees and individual Directors.

The Board is of the opinion that the nature of the Company's activities makes the establishment of a formal performance evaluation strategy unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board reviews performance of senior management, Directors and the Board as a whole.

## 1.7 Recommendation 1.7

A listed entity should:

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

### ***Compliance with ASX Recommendation: not followed***

The Company has in place a formal process for evaluation of its key executives.

Performance of key executives is measured annually and assessed against objectives set by the Board of Directors. No formal performance evaluation took place during the reporting period, however the Board continued to monitor the performance of senior executives during this time.

## 2. **Principle 2: Structure the Board to add value**

### 2.1 Recommendation 2.1

The board of a listed entity should:

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

### ***Compliance with ASX Recommendation: 2.1(a) not followed. 2.1(b) followed***

The full Board, which comprises four Non-Executive Directors and three Executive Directors, consider the matters and issues that would otherwise be addressed by a nomination committee.

Candidacy for the Board is based on merit against objective criteria with a view to

maintaining an appropriate balance of skills and experience. As a matter of practice, candidates for the office of Director are individually assessed by the Chairman and the Board before appointment or nomination to ensure that they possess the relevant skills, experience, personal attributes and capability to devote the necessary time and commitment to the role.

The Board considers that, given the current size and scope of the Company's operations, no efficiencies or other benefits would be achieved by establishing a separate nomination committee.

The Board intends to reconsider the requirement for, and benefits of, a separate nomination committee as the Company's operations grow and evolve. Since the conclusion of the reporting period, the Board has now approved a nomination committee charter to govern its nomination processes.

## **2.2 Recommendation 2.2**

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

### ***Compliance with ASX Recommendation: not followed***

During the reporting period, the Board did not deem it necessary to create a formal document outlining the particular skills of the board. The Board always endeavoured to ensure that it was comprised of a blend of skills, experience and attributes appropriate to the Company and its business. Since the end of the reporting period, the Board has now adopted and approved a Board Skills Matrix, which is available on the Company's website.

## **2.3 Recommendation 2.3**

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director.

### ***Compliance with ASX Recommendation: followed***

During the reporting period, the Company had three Directors who satisfied the criteria for independence as outlined in Recommendation 2.3.

The Board currently comprised the following members:

#### **(a) Mr David Shein - Non-Executive Chairman**

Mr Shein has held this office since 17 February 2014.

The Board considers Mr Shein to be independent as per its guidelines set out in Schedule 1 of the Board Charter.

(b) **Mr Jonathan Pager – Non-executive Director**

Mr Pager was appointed as a Director on 17 February 2014.

The Board considers Mr Pager to be independent as per its guidelines set out in Schedule 1 of the Board Charter.

(c) **Mr Michael Pollak - Non-Executive Director**

Mr Pollak was appointed as a Director on 17 February 2014.

The Board considers Mr Pollak to be independent as per its guidelines set out in Schedule 1 of the Board Charter.

(d) **Mr Joey Fridman - Non-Executive Director**

Mr Fridman was appointed as a Director on 17 February 2014.

The Board considers Mr Fridman may not be independent as a related party holds a large parcel of securities (more than 5% of issued capital) in the Company as at the date of this statement.

(e) **Mr Joseph D’Addio - Executive Director and COO**

Mr D’Addio was appointed as a Director on 29 May 2015.

The Board considers Mr D’Addio not to be independent as he is employed in an Executive capacity by the Company.

(f) **Mr Scott McPherson - Executive Director and Director Sales**

Mr McPherson was appointed as a Director on 29 May 2015.

The Board considers Mr McPherson not to be independent as he is employed in an Executive capacity by the Company.

(g) **Ms Nicole Page - Executive Director and CEO**

Ms Page was appointed as a Director on 29 May 2015.

The Board considers Ms Page not to be independent as she is employed in an Executive capacity by the Company.

## 2.4 Recommendation 2.4

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

### **Compliance with ASX Recommendation: not followed**

The Company did not comply with ASX Recommendation 2.4, being that the majority of the Board are independent Directors. However, the Company considers that the Board is appropriately structured notwithstanding this ASX Recommendation given the extensive knowledge of each of the directors regarding the Company and its business and their substantial experience and recognition in the Software and Services industry and other industries relevant to the Company’s operations. For

these reasons, and the stage of the development of the Company, Montech Holdings Limited takes the view that it is in the best interests of members that the current Directors, with their extensive background and experience, be Directors of the Board.

## 2.5 Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

### ***Compliance with ASX Recommendation: followed***

The roles of Chairman and CEO were exercised by different persons during the reporting period.

The Chairman of the Company, Mr David Shein, is an independent director in accordance with the criteria for independence as outlined in ASX Recommendation 2.3.

## 2.6 Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

### ***Compliance with ASX Recommendation: not followed***

The Company does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of the Company's operations, though the Board may adopt such a program in the future as the Company's operations grow and evolve.

## 3. Principle 3: Act ethically and responsibly

### 3.1 Recommendation 3.1

A listed entity should:

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

### ***Compliance with ASX Recommendation: followed***

The Board believes that the success of the Company and its related entities relies on the confidence that clients and the community have in the way the Company conducts its business. Integrity, confidentiality and acting ethically and responsibly are the Company's

key principles.

Accordingly, the Company has established a Code of Conduct which sets out the standards with which the directors, officers, managers, employees and consultants of the Consolidated Group are expected to comply in relation to the affairs of the Company's business and when dealing with each other, shareholders and the broader community.

The Code of Conduct sets out the Company's policies on various matters, including the following:

- (a) Compliance with regulations;
- (b) Fair trading and dealing;
- (c) Conflicts of interest;
- (d) Improper use or theft of company property, assets and email;
- (e) Privacy;
- (f) Employment practices; and
- (g) Public Communications and Disclosures.

In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

The Company's Code of Conduct is available on the Company's website.

#### **4. Principle 4: Safeguard integrity in corporate reporting**

##### **4.1 Recommendation 4.1**

The board of a listed entity should:

- (a) have an audit committee which:
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:
    - (iii) the charter of the committee;
    - (iv) the relevant qualifications and experience of the members of the committee; and
    - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

***Compliance with ASX Recommendation: 4.1(a) not followed. 4.1(b) followed***

The Company did not have a separate audit committee during the reporting period. Audit compliance was managed by the full board of the Company during this period. The Board has subsequently adopted a Risk and Audit Committee Charter and appointed members of an audit committee, who will meet throughout the financial year following the reporting period.

The Company's annual and half yearly reports are audited by the Company's auditors, Stantons International Audit and Consulting Pty Ltd.

**4.2 Recommendation 4.2**

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

***Compliance with ASX Recommendation: followed***

As a matter of practice, the Company obtains declarations from its CEO and COO (who undertakes a number of roles of a traditional CFO) before its financial statements are approved substantially in the form referred to in ASX Recommendation 4.2.

**4.3 Recommendation 4.3**

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

***Compliance with ASX Recommendation: followed***

It is the Company's practice to request its external auditor to attend each annual general meeting of the Company and be available to answer questions from shareholders in relation to the conduct of the audit and the preparation and content of the auditor's report.

**5. Principle 5: Make timely and balanced disclosure**

**5.1 Recommendation 5.1**

A listed entity should:

- (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- (b) disclose that policy or a summary of it.



***Compliance with ASX Recommendation: not followed***

The Company is a “disclosing entity” pursuant to section 111AR of the Corporations Act and, as such, is required to comply with the continuous disclosure requirements of Chapter 3 of the ASX Listing Rules and section 674 of the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company is required to disclose to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company’s securities.

The Company is committed to observing its disclosure obligations under the Corporations Act and its obligations under the ASX Listing Rules. All relevant information provided to ASX is posted on the Company’s website.

Although the Company did not have a Continuous Disclosure policy in place during the reporting period due to the company’s stage of development, the Company has since adopted a Continuous Disclosure Policy. The purpose of this policy is to:

- (a) assist the Company to comply with its continuous disclosure obligations imposed by law including the Corporations Act and ASX Listing Rules;
- (b) design procedures so that all shareholders have equal and timely access to material information about the Company and its prospects; and
- (c) assist the Company and individual officers to comply with the Continuous Disclosure Rules (which carry serious penalties).

To achieve these purposes, this policy sets out the Company’s processes for:

- (a) identifying all material information;
- (b) reporting such material information to the Company Secretary, CEO and Non-Executive Chairman; and
- (c) providing timely disclosure of material information.

The Continuous Disclosure Policy is available on the Company’s website.

**6. Principle 6: Respect the rights of security holders**

**6.1 Recommendation 6.1**

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

***Compliance with ASX Recommendation: followed***

Information on the Company’s corporate governance, including copies of its various corporate governance policies and charters, is available on the Company’s website [www.MOQ.com.au](http://www.MOQ.com.au)

**6.2 Recommendation 6.2**

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

***Compliance with ASX Recommendation: not followed***

The Company does not comply with Recommendation 6.2 as it has not developed a formal investor relations program, relying instead on the traditional lines of communication with shareholders. The Board will continue to monitor the demand for such a program from the Company's shareholders.

**6.3 Recommendation 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.

***Compliance with ASX Recommendation: followed***

The Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, including by ensuring that meetings are held at convenient times and places to encourage shareholder participation.

In preparing for general meetings of the Company, the Company drafts the notice of meeting and related explanatory information so that they provide all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. This information is presented clearly and concisely so that it is easy to understand and not ambiguous.

The Company uses general meetings as a tool to effectively communicate with shareholders and allow shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting.

Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

**6.4 Recommendation 6.4**

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

***Compliance with ASX Recommendation: followed***

The Company considers that communicating with shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner.

The Company has, as a matter of practice, provided new shareholders with the option to receive communications from the Company electronically and the Company encourages them to do so. Existing shareholders are also encouraged to request communications electronically.

## 7. Principle 7: Recognise and manage risk

### 7.1 Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk each of which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose,
    - (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
- (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.

#### ***Compliance with ASX Recommendation: 7.1(a) not followed, 7.1(b) followed***

During the reporting period, the Company did not have a risk Committee with a corresponding charter. The Board was responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control. The Board regularly reviewed and monitored areas of business risk. Subsequent to the reporting period, the Board has now adopted an Audit and Risk Committee Charter and an Audit and Risk Committee. The Company's Audit and Risk Committee Charter sets out the purpose and functions of the Risk Committee and is available on the Company's website.

### 7.2 Recommendation 7.2

The board or a committee of the board should:

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

#### ***Compliance with ASX Recommendation: not followed***

The Board and the Audit and Risk Committee have responsibility for the monitoring of risk management, however they have not required a formal report regarding the material risks and whether those risks are managed effectively. The Board considers that the Company is currently effectively communicating its significant and material risks to the Board and its affairs are not of sufficient complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company.

### 7.3 Recommendation 7.3

A listed entity should disclose:

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

***Compliance with ASX Recommendation: 7.3(a) not followed. 7.3(b) followed***

The Company does not currently have an internal audit function. This function is undertaken by relevant staff under the direction of the Chief Operational Officer.

The Company has adopted internal control procedures which include the following:

- (a) identification of key risks;
- (b) managing activities within budgets and operational and strategic plans;
- (c) monthly financial reporting against budget;
- (d) regular visits to the Company's interstate offices to review the Company's decentralised operations;
- (e) appraisal procedures and due diligence requirements for potential acquisitions or divestments; and
- (f) reliance on auditor reviews and senior management declarations.

The Chief Operating Officer is charged with evaluating and considering improvements to the Company's risk management and internal control processes on an ongoing basis.

The Board considers that an internal audit function is not currently necessary given the current size and scope of the Company's operations.

As the Company's operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.

### 7.4 Recommendation 7.4

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

***Compliance with ASX Recommendation: followed***

The Company's primary operation of the provision of information technology services does not expose it to any particular economic, environmental or social sustainability risks not faced by all other participants in an open economy.

## 8. Principle 8: Remunerate fairly and responsibly

### 8.1 Recommendation 8.1

The board of a listed entity should:

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

#### ***Compliance with ASX Recommendation: 8.1(a) not followed. 8.1(b) followed***

The Company did not have a formal remuneration policy in place during the reporting period.

The maximum aggregate remuneration payable to Non-Executive Directors is presently set at \$500,000. The Board did not consider it necessary to establish a separate remuneration committee during the period. During the period, the full Board took responsibility for any remuneration functions.

The Company sets out the remuneration paid or provided to Directors and senior executives annually in the remuneration report contained within the Company's annual report to shareholders. The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

Subsequent to the reporting period, the Board has now adopted a Remuneration and Nomination Committee Policy which is available on the Company's website.

### 8.2 Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

***Compliance with ASX Recommendation: followed***

The Company's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior executives is set out in the Remuneration Report contained in the Company's Annual Report for each financial year.

**8.3 Recommendation 8.3**

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

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

***Compliance with ASX Recommendation: followed***

The Company currently does not have an equity-based remuneration scheme in place. The Company has a Securities Trading Policy which sets out the circumstances in which the Company's directors, executives, employees, contractors, consultants and advisors are prohibited from dealing in the Company's securities (and "dealing" includes entering into transactions which limit the economic risk of a person's holdings in the Company).

The Securities Trading Policy is available on the Company's website.