



ACN: 007 701 715

Corporate Governance Statement

OVERVIEW

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed. This statement is current as at 20 October 2017.

The Company's full Corporate Governance Plan is as follows and is available in a dedicated corporate governance information section of the Company's website (<https://activisticgroup.com/investors/#corporate-governance>).

- **Board Charter**
- **Independence of Directors**
- **Performance Evaluation Policy**
- **Nomination Committee Charter**
- **Code of Conduct**
- **Diversity & Inclusion Policy**
- **Continuous Disclosure Policy**
- **Shareholder Communications Policy**
- **Risk Management Policy**
- **Audit and Risk Committee Charter**
- **Remuneration Committee Charter**
- **Securities Trading Policy**



| Principles and Recommendations | Company's Policies | Degree of Compliance | |
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| Principle 1 – Lay solid foundations for management and oversight | | | |
| 1.1 | <p>(a) Disclosure of the respective roles and responsibilities of the Board and management; and</p> <p>(b) Disclose matters expressly reserved for the Board and those delegated to management.</p> | <p>(a) The Board is responsible for providing leadership, setting the strategic objectives and the overall corporate governance of the Company.</p> <p>Management is responsible for implementing the strategic direction and operating procedures set by the Board and the day-to-day running of the Company.</p> <p>(b) The Board has adopted a Board Charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management. A copy of the Board Charter is available on the Company's website.</p> <p>The Board regularly monitors the divisions of functions between the Board and management to ensure the appropriateness to the needs of the Company.</p> | Complies |
| 1.2 | <p>(a) Complete appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) Provide to shareholders all material information in the listed entity's possession relevant to a decision on whether to elect or not elect or re-elect a Director.</p> | <p>(a) The Board undertakes appropriate checks for elections of candidates to Director position and uses the Australian Standard AS 4811-2006 <i>Employment Screening Guide</i> as a verification standard.</p> <p>The appointment of either independent and non-executive Directors are based on extensive background checks as to the appropriateness of their qualifications, experience and commitment to the role. The details are documented in the Board Charter which is available on the Company's website.</p> <p>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p> | Complies |
| 1.3 | A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment. | <p>On appointment of a Director, the Company issues an agreement in the form of a letter of appointment setting out the terms and conditions of appointment to the Board.</p> <p>On appointment of an executive Director or other senior executive, the Board completes an agreement setting out the terms and conditions of appointment to the Company.</p> | Complies |



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| <p>1.4 The Company Secretary is accountable to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p> | <p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p> <p>The Company Secretary provides support to the Board in advising on governance, policy and procedures, Board papers and recording minutes.</p> <p>The appointment and removal of the Company Secretary is made by the Board.</p> | <p>Complies</p> |
| <p>1.5 (a) Establish a Diversity Policy with measurable objectives to achieve gender diversity and assess annually both the objectives and the entity's progress in achieving them.</p> <p>(b) Disclose the policy or a summary of that policy.</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> <ol style="list-style-type: none"> 1. the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2. if the entity is a "relevant employer" | <p>(a) The Board has established a Diversity Policy and is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level in the Company and on the Board. However, the Company is at an early stage of its development and consequently application of measurable objectives in relation to gender diversity, at the various levels of the Company's business, are not considered to be appropriate nor practical at this time.</p> <p>(b)The Board adheres to reporting annually and providing progressive results. The details are documented in the Diversity Policy which is available on the Company's website.</p> <p>(c) The Company has not determined measurable objectives in relation to gender diversity, at the various levels of the Company's business, for the reasons described above. The Board will include in the annual report each year the proportion of male and female employees in the whole organisation, at senior executive level and at Board Level (including how the Company has defined "senior executive" for these purposes).</p> | <p>Does not Comply</p> |



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| <p>under the Workplace Gender Equality Act (which is not applicable to the Company as at the date of this Prospectus), the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | | |
| <p>1.6 (a) Have and disclose a process for periodically evaluating performance of the Board, its committees and individual Directors.</p> <p>(b) Disclose at the end of each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>(a) The Board has in place a rigorous process for reviewing the performance of the Chair, Board, any committees and individual Directors by a suitably qualified independent Director. The details are documented in the Board Charter which is available on the Company's website.</p> <p>(b) The Company reports on whether the evaluation has taken place on an annual basis in the Company's Annual Report and shall include, where appropriate, any insights it has gained from the evaluation and any governance changes it has made as a result.</p> | Complies |
| <p>1.7 (a) Have and disclose a process for periodically evaluating performance of Senior executives.</p> <p>(b) Disclose at the end of each reporting period whether the evaluation was undertaken in accordance with that process.</p> | <p>(a) The Board has in place a rigorous process for reviewing the performance of senior executives and management to reflect the performance of the Company. The Board is responsible for evaluating the performance of senior executives. The Board arranges annual performance evaluation of the senior executives.</p> <p>(b) Performance reviews of the Company's senior executives are carried out on an annual basis and any issues arising from the review are addressed.</p> <p>The details are documented in the Board Charter which is available on the Company's website.</p> | Complies |
| Principle 2 – Structure the Board to add value | | |
| <p>2.1 (a) The Board should have a nomination committee with at least 3 members (a majority of whom are independent Directors), be chaired by an independent Director, disclose the charter, members</p> | <p>(a) The Company has not established a separate Nomination Committee. Given the Company's current size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. Accordingly, the duties of the Nomination Committee, as set out in the Nomination Committee Charter on the Company's website, are currently undertaken by the full Board and is</p> | Does not Comply |

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| <p>and, as at the end of each reporting period, the number of times met and individual attendance at meetings.</p> <p>(b) If the listed entity does not have a nomination committee, disclose that fact and disclose what processes the Board 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>summarised in this Corporate Governance Statement.</p> <p>(b) The Directors are satisfied that the composition and structure of the Board is appropriate for the size of the Company and the nature of its operations. The membership of the Board, its activities and composition is subject to periodic review.</p> <p>The Board devotes time at each/quarterly/annual Board meeting(s) to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules, and seek 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>The Board regularly updates the Company's Board skills matrix (in accordance with Recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p> | |
| <p>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.</p> | <p>The Board considers the current mix of skills and experience of members of the Board and its senior management is sufficient to meet the requirements of the Company. The skills, experience and expertise of by each Director are maintained in a Board skills matrix and are set out in the Directors' Report section of the Company's Annual Report.</p> | Complies |
| <p>2.3 (a) Disclosure of names of independent Directors on the Board;</p> <p>(b) Disclose any independent Director's interest, position association or relationship with the entity if it is described in Box 2.3 of the Recommendations and disclose why the Board still considers such Director to be independent;</p> <p>(c) Disclose the length of service of each</p> | <p>(a) The Company has independent Directors: Mr Peter Wall (Non-Executive Chairman) and Mr Michael Hughes (Non-Executive Director).</p> <p>(b) No independent Director holds more than 5% of the shares on issue and none of them are related to any other Director or senior executive of the Company.</p> <p>(c) Mr Wall has been a Director since 16 June 2015; Mr Crossin has been a Director since 20 January 2017, and Mr Hughes has been a Director since 1 June 2016.</p> | Complies |



| Principles and Recommendations | | Company's Policies | Degree of Compliance |
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| | Director. | | |
| 2.4 | The majority of the Board should be independent Directors. | The Board currently has an equal number of independent and non-independent Directors, being two each. As the Company's activities grow, it is the intention of the Board to appoint further suitably qualified independent Directors. | Does not Comply |
| 2.5 | The Chair should be an independent Director and Chief Executive Officer is not the same person. | Mr Peter Wall is the independent Chairman and does not occupy the Chief Executive Officer position. | Complies |
| 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 required to perform their roles as Directors effectively. | <p>Directors are selected and inducted on the basis of their expertise in the pertinent field sought by the Company. The performance of Directors is evaluated informally by assessing each Director's contribution and attendance at all Board meeting. Members of the Board are regularly briefed and updated on new developments in legislation, standards and technical subject matters impacting the Company.</p> <p>Directors are able to seek and take independent professional advice at the expense of the Company.</p> <p>The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The details are documented in the Board Charter which is available on the Company's website.</p> | Complies |
| Principle 3 – Act Ethically and Responsibly | | | |
| 3.1 | <p>A listed entity should:</p> <p>(a) Have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) Disclose the code or a summary of the code.</p> | <p>(a) The Company has developed a Code of Conduct for Directors, management and staff, underlying the Company's commitment to high ethical standards in the conduct of the Company's business. The Board is responsible for ensuring the Company's compliance with the Code and the good and fair management of reports of any breaches.</p> <p>The Company's Trading Policy applies to all Directors, officers and employees and sets out the prohibition against insider trading and prescribes certain requirements for dealing in the Company's securities. The Company also has in place an Anti-Corruption Policy Programme.</p> | Complies |



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| | (b) The Code of Conduct, Securities Trading Policy and Anti-Corruption Policy Programme are available on the Company's website. | |
| Principle 4 – Safeguard integrity in corporate reporting | | |
| <p>4.1 The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> (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, <p>and disclose:</p> <ol style="list-style-type: none"> (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 <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</p> | <p>(a) The Board believes the Company is not currently of a sufficient size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Company has not established a separate audit committee because the full Board undertakes the functions normally associated with an audit committee.</p> <p>The Board has adopted a separate Audit Committee charter to assist it in performing the relevant functions of an audit committee. A copy of the Audit Committee Charter is available on the Company's website.</p> <p>(b) The Directors are satisfied that the composition and structure of the Board is appropriate for the size of the Company and has the required experience and knowledge to safeguard the integrity of the Company's corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner</p> <p>The Board devote time at [each/quarterly/annual Board meeting(s)] to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p> <p>The details are documented in the Board Charter which is available on the Company's website.</p> | Does not comply |



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| | auditor and the rotation of the audit engagement partner. | | |
| 4.2 | The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Chief Executive Officer and Chief Financial Officer 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 Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO (or equivalent) have declared that in their opinion the financial records of the Company 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | Complies |
| 4.3 | Ensure external auditor attend the AGM and is available to answer questions from shareholders relevant to the audit. | The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | Complies |
| Principle 5 – Make timely and balanced disclosure | | | |
| 5.1 | (a) Establish written policies for complying with ASX continuous disclosure obligations under the Listing Rules; and (b) Disclose those policies or a summary of those policies. | (a) The Company has established a Continuous Disclosure Policy, to ensure that it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act. (b) The Continuous Disclosure Policy is available on the Company's website. | Complies |
| Principle 6 – Respect the rights of security holders | | | |
| 6.1 | Provide information about the Company and its governance via a website. | The Company has designed a Shareholder Communications Policy for promoting effective communication with shareholders and encouraging their participation at general meetings. The Company uses its website, quarterly, interim and annual reports, | Complies |



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| | | market announcements, general meetings and media disclosures to communicate with its shareholders. | |
| 6.2 | Design and implement an investor relations program to facilitate communication with shareholders. | The Company's Shareholder Communications Policy is available on its website, which aims to promote and facilitate effective two-way communication with investors. | Complies |
| 6.3 | Disclose policies and processes to facilitate and encourage shareholder participation at meetings. | The Company's Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors, is available on its website. | Complies |
| 6.4 | Provide the option for security holders to receive communications from, and send communications to, the Company and its security registry electronically. | Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX. Shareholders queries should be referred to the Company Secretary at first instance. | Complies |
| Principle 7 – Recognise and manage risk | | | |
| 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,</p> <p>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</p> | <p>The Company has established policies for the oversight and management of material business risks.</p> <p>Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no risk management committee. The full Board currently carries out the duties that would ordinarily be assigned to the risk management committee. The Board is responsible for overseeing risk management strategy and policies, internal compliance and internal control.</p> <p>The Risk Management Policy is available on the Company's website.</p> | Does not Comply |



| | Principles and Recommendations | Company's Policies | Degree of Compliance |
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| | <p>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> | | |
| 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>(a) The Company has established policies as a risk management framework for the oversight and management of material business risks and the Board monitors, identifies and reviews risks within the business and that framework in the ordinary course of business at each monthly Board meeting.</p> <p>(b) Key operational and financial risks are presented to and reviewed by the Board at each Board meeting and reported in the appropriate periods.</p> | Complies |
| 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>(a) The Board believes the Company is not currently of a sufficient size, nor its financial affairs of such complexity to justify the cost of having an internal audit function.</p> <p>(b) Refer to 7.1 above.</p> | Does not Comply |
| 7.4 | <p>Disclose any material exposure to economic, environmental and social sustainability risk and how it manages those</p> | <p>The Company's risk management systems are intended to assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks.</p> | Complies |

| Principles and Recommendations | Company's Policies | Degree of Compliance |
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| risks. | <p>The Board ensures a pro-active and structured approach to potential material business sustainability and compliance risk. It regularly assesses risk which include and are not limited to, credit, economic, liquidity, operational, environmental, OH&S, regulatory, market related, technology, social sustainability, HR, product, brand and reputation. Risks are identified, analysed monitored and reported in accordance with the company's risk management policy. Management reports regularly to the Board as to the effectiveness of the Company's management of its material business risks.</p> <p>The Risk Management Policy is available on the Company's website.</p> | |
| Principle 8 – Remunerate fairly and responsibly | | |
| <p>8.1 The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent Directors; and (2) is chaired by an independent Director, <p>and disclose:</p> <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration</p> | <p>(a)The Board has not established a separate Remuneration Committee. Given the Company's current size and nature, the Board considers that the Board is a cost effective and practical method of directing and managing the Company's remuneration policy. Accordingly, the duties that would ordinarily be assigned to a Remuneration Committee are currently undertaken by the full Board.</p> <p>(b)The Board has adopted a Remuneration Committee Charter which it follows when considering matters that would usually be considered by a remuneration committee.</p> <p>The Remuneration Committee Charter is available on the Company's website.</p> <p>The Board devotes time at each/quarterly/annual Board meeting(s) to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | Does not comply |



| Principles and Recommendations | Company's Policies | Degree of Compliance |
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| <p>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>8.2 The Company 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> | <p>The Company has separate policies relating to the remuneration of Non-Executive Directors and that of Executive Directors and senior executives. This information is detailed in the Remuneration Report, which forms part of the Directors' Report in the Company's Annual Reports.</p> | <p>Complies</p> |
| <p>8.3 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>(a) The Company does not provide an equity-based remuneration scheme. The Securities Trading Policy prohibits the hedging of risk of fluctuation of the value of the Company's securities.</p> <p>(b) The Securities Trading Policy is available on the Company's website.</p> | <p>Complies</p> |