

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Objective Corporation Limited

ABN/ARBN

16050539350

Financial year ended

30 June 2015

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

☐ these pages of our annual report: _____


☒ this URL on our website:

<http://www.objective.com/about-objective/investor-information/corporate-governance>

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

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

Date here: 29th October 2015



Sign here: _____
Company secretary

Print name: Mark Katz

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

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

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

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

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's</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 <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	most recent "Gender Equality Indicators", as defined in and published under that Act.	<hr/> <i>Insert location here</i> ... and the information referred to in paragraphs (c)(1) or (2): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> ... and the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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 OR</p> <p><input checked="" type="checkbox"/> at this location: http://www.objective.com/about-objective/investor-information/corporate-governance</p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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 type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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 OR <input checked="" type="checkbox"/> at this location: http://www.objective.com/about-objective/investor-information/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.objective.com/about-objective/investor-information/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> ... and a copy of the charter of the committee: <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input checked="" 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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>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>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input 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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><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</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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, 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; <u>OR</u></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 <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<p>[If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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 we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u></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 <u>OR</u> <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</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 type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</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 <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<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 type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.objective.com/about-objective/investor-information/corporate-governance</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: http://www.objective.com/about-objective/investor-information/corporate-governance	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Objective

Objective

2015

**CORPORATE GOVERNANCE
STATEMENT**

This corporate governance statement of Objective Corporation Limited has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations'). The listing rule requires the company to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the company has not followed a recommendation and any related alternative governance practice adopted.

The ASX Principles and Recommendations and the company's response as to how and whether it follows the recommendations are set out below.

The Board at Objective Corporation Limited aspire to the highest standards of corporate governance that could be deemed appropriate for a Company the size of Objective Corporation Limited, the extent of its activities and the number of directors.

This Statement is current as at 29th October 2015 and has been approved by the Board of Directors.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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.***

The Board's primary role is the protection and enhancement of long-term shareholder value. The Directors take ultimate responsibility for corporate governance and operate in accordance with the Company's constitution, Australian Stock Exchange (ASX) Rules, the Corporations Act, and other applicable laws which they accomplish by:

- setting and monitoring organisational performance
- providing leadership and setting the strategic objectives of the company
- reviewing and approving corporate strategies, the annual budget and financial plans;
- establishing corporate governance and ethical business standards;
- monitoring financial performance and budgets
- reporting to and communicating with shareholders.

The Board has delegated responsibility for the operation and administration of the Company and its controlled entities to its Chief Executive Officer. Day to day management of the company has also been delegated to other senior executives ("management"). The company's management is responsible for the following:

- implementing the strategic objectives set by the board
- day to day running of the company
- managing the company's reputation and operating performance
- providing the board with accurate timely and clear information to enable the board to perform their responsibilities

Senior Executives and Management Personnel have their roles and responsibilities defined in specific position descriptions. They each have formal agreements governing their employment which is reviewed annually.

Recommendation 1.2 - A listed entity should disclose:

(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.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board then determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities. The Board identifies potential candidates with advice from an external consultant where necessary. The board undertakes comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('ASIC').

The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders. The board provides to shareholders for their consideration information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which include experience and qualifications, details of other directorships, adverse information about the person that the Board is aware of including material that may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment.

Directors (other than the Chief Executive Officer) are subject to re-election at least every three years.

All new Directors will take part in an induction program to educate new Directors on the Company's business and allow them to fully participate in the Board decision making at the earliest opportunity. Directors are given access to opportunities to update and enhance their skills and knowledge.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors and senior executives are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

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.

The Company Secretary reports directly to the Board and is accessible to all directors. The Company Secretary's role includes advising the Board on governance matters, monitoring compliance of the Board with policies and procedures, coordinating all Board business, retaining independent professional advisors, ensuring that the business at Board and audit committee meetings is accurately minuted. The company secretary is Mark Katz.

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:**
 - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or**
 - (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

The Board does not currently have an established diversity policy. Given the size of the Company, the nature of the employment structure and the limited number of Board and senior executive positions available in addition to the tight labour market for skilled employees for the sector it is not deemed necessary at this time. Nevertheless, the company undertakes to assess an individual's credentials on their merit, with complete objectivity and without bias so that the company may attract, appoint and retain the best people to work within the company where all persons have equal opportunity. This commitment means that the company has procedures to ensure it has an environment supportive of equal opportunity and equal access to career development, remuneration, and benefits. The company's workforce is split female 25% (2014 - 24%) and male 75% (2014 - 76%).

Objective believes that diversity is about recognising and valuing the contribution of people from different backgrounds, with different perspectives and experiences. Diversity includes but is not limited to gender, age, disability, ethnicity, religion and cultural background.

Objective operates in a number of countries, and, to date, diversity initiatives have been focused at the local level, having regard to the legislative requirements of those countries.

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.**

The company does not currently have a formal process for evaluating the performance of the Board or its committees. However, the performance of each Director is reviewed annually and undertakes an ongoing self-assessment process to review their individual performance. It is not directly linked to the company's performance.

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.**

Senior executives and key management personnel undertake an annual and half year review with the CEO. In assessing the performance of the individual, the review includes consideration of their function, individual Key Performance Indicators (KPI's), group targets and the overall performance of their business division. All bi-annual and annual performance measures are agreed at the start of the financial year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 - The board of a listed entity should: (a) have a nomination committee which:

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director, and disclose:**
 - (3) the charter of the committee;**
 - (4) the members of the committee; and**
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.**

Due to the size of the Board of the Company, the formation of an Independent Nomination Committee is not considered practical at this time. Existing members of the Board performs the function of such a committee which includes the identification of skills and competencies required for the Board. The Board does not actively manage succession and instead relies on networking, recruitment firms and internal resources to identify appropriate candidates when a vacancy arises. Attributes of candidates put forward will be considered for 'best-fit' to the needs of the Board which are assessed at the time of the vacancy.

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.

The board does not maintain a formal skills matrix that sets out the mix of skills and diversity that the Board aims to achieve in its membership. However, the composition of the Board is reviewed regularly to ensure that they have the appropriate mix of expertise and experience. The aim is that the board's membership should reflect a balance between extensive experience in the industry and a broad range of general commercial experience and expertise.

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.**

Details of the Board of directors, their appointment dated, length of service as independence status is as follows:

Director's Name	Appointment Date	Length of Service at reporting date	Independence Status
Nick Kingsbury	July 2008	7 Years	Independent Non-Executive Director
Leigh Warren	August 2007	8 Years	Independent Non-Executive Director

Details of directors that the board has declared as independent but which maintain an interest that could be perceived as impairing independence, and the reason as to the Board's determination are as follows:

Director's Name	Number of Shares held at 30 June 2015	Board reasoning why directors is independent
Nick Kingsbury	120,000 – representing 0.1% interest in the company	Not considered a material volume
Leigh Warren	235,443– representing 0.3% interest in the company	Not considered a material volume

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

Due to the fact that the non-independent Directors control over 80% of the Company's shares it is inappropriate that a majority of the board should be independent.

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.

The Board believes it is appropriate that the role of the chairman and Chief Executive Officer are both filled by Tony Walls. Compliance Costs would be significant with questionable benefits for the Company and its stakeholders.

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.

All new Directors will take part in an induction program to educate new Directors on the Company's business and allow them to fully participate in the Board decision making at the earliest opportunity. Directors are given access to opportunities to update and enhance their skills and knowledge.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

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.**

The Board has adopted a Code of Conduct that applies to all Directors and employees of the Company. The Code provides guidance for Directors and employees on the standards that Objective expects in the conduct of its operations. The Code covers items such as:

- The way in which we must discharge our duties
- Compliance with laws
- Conflicts of interest
- Confidentiality
- Dealing in company securities
- The use of the Company's resources
- The environment, health and safety.

The Code is published on the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1 - The board of a listed entity should: (a) have an audit committee which:

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

The Company has established an Audit Committee, which has a formal charter approved by the Board of Directors. The Audit Committee reviews the financial statements and considers and recommends accounting policies to be adopted by the Company to the Board of Directors. The members of the Committee during the financial year were Leigh Warren and Nick Kingsbury. The qualifications of the members are disclosed in the Directors Report. The Chief Executive Officer, Chief Financial Officer and the external auditors are invited to Committee meetings, at the discretion of the Committee. The number of meetings held during the financial year ended 30 June 2015 and attendances is disclosed in the Director's Report.

However, the committee does not fully comply with the best practice recommendation in regards to the composition of it. The Company believes that the cost of compliance would surpass any benefits from having additional independent Non-Executive Directors appointed to comply with ASX Corporate Governance Council recommendations.

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.

In relation to the financial statements for the financial year ended 30 June 2015 and the half-year ended 31 December 2014, the company's CEO and CFO have provided the Board with declarations, that in their opinion:

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

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.

The Company's external auditor attends every Annual General Meeting as required by the Corporations Act, and members are allowed a reasonable opportunity at the meeting to ask the auditor questions relevant to the audit, their report and independence, and the accounting policies adopted by the Company.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

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.***

The company does not have a formal written policy for complying with its continuous disclosure obligations. The CEO and Board members are involved in all major transactions and events and would usually be the first people to come into possession of market sensitive information. The CEO and company secretary decide whether information should be released to the market. Where the information relates to fundamentally significant events affecting the company the CEO will arrange for authorisation at Board level before such information is released.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The Board has a policy to identify matters that may have a material effect on the price of the Company's securities and ensuring disclosure to the ASX and posting on the official Objective Corporation Limited's website. The Company's website contains copies of the Company's announcements and this information will be emailed to shareholders who lodge their contact details with the Company. The Executive Chairman and the Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX.

Recommendation 6.2 - A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors

The Company has not as yet designed and implemented a specific investor relations program to facilitate effective two-way communication with shareholders because the Board considers the above practices are adequate at the present time. However, investors are also encouraged to attend the AGM where the company can respond to any queries that they may have.

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

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and understanding of the Company's strategies and goals. The Company requests its external auditor to attend the Annual General Meeting and to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report.

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.

The company engages its share registry to manage the majority of communications with shareholders.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 – The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:

- (1) has at least three members, a majority of whom are independent directors; and***
- (2) is chaired by an independent director, and disclose:***
- (3) the charter of the committee;***
- (4) the members of the committee; and***
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or***
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework***

The company does not have a risk committee as it is considered that the current size of the Board does not warrant the formal establishment of such a committee. The Directors are responsible for the strategic direction of the Company, the setting of the corporate objectives, monitoring of the operational and financial performance of the Company's activities. In addition, the Board therefore investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment of suitable qualified and experienced personnel.

The management of the company and the execution of its growth are subject to a number of risks which could adversely affect the company's future development, such as the attraction and retention of customers, loss of people, cash and other financial risk and research and development.

However, such risks are minimised by established practices such as:

- Rolling forecasts and monthly reporting systems to enable the monitoring of key performance indicators
- Business transactions are properly authorised and executed
- Attracting and retaining quality and ethical personnel through recruitment practices; training and development plans; and annual performance reviews for staff
- Occupational health and safety standards are stringently managed throughout the business
- A comprehensive insurance program.

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

The Board is responsible for the oversight of the company's risk management and control framework.

The Company has developed a business operations manual, which includes detailed policies and procedures and a system of formal reporting to assist it to manage and monitor operating, financial and compliance risk for the Group. The Company is also ISO9001 certified, meaning the company is operating a Quality Management System that complies with the standard. The registration covers the design, development, implementation and support of our software and the supporting administration processes for our business. Maintaining certification is achieved through regular monthly internal audits and a bi-annual audit by an external certification body.

The Chief Executive Officer has declared in writing to the Board that the financial risk management and associated compliance controls have been assessed and found to be operating efficiently and effectively.

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.**

The current size and financial position of the Company are not of a scale to warrant an internal audit function. The responsibility for risk management and internal controls lies with both the CEO and CFO who continually monitor the company's internal and external risk environment. Necessary action is taken to protect the integrity of the company's books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguard of company assets.

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.

The Board does not believe the Company has any material exposure to economic, environmental and social sustainability risks at the present time.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 - The board of a listed entity should: (a) have a remuneration committee which:

- (1) has at least three members, a majority of whom are independent directors; and**
- (2) is chaired by an independent director, and disclose:**
 - (3) the charter of the committee;**
 - (4) the members of the committee; and**
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.**

The company does not maintain a Remuneration committee as it considered that the current size of the board does not warrant the formal establishment of a separate committee. The board therefore performs the function of such a committee which includes setting the company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board, CEO and Company Secretary. The remuneration policy generally is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive to attract, retain and motivate employees of the highest calibre.

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.

Two non-executive directors have employment contracts with the company. They are remunerated by way of salary, super contributions and employee share options.

Executive directors and other senior management are remunerated using combinations of fixed and variable based salary packages and employee share options. Fixed salaries are set at levels reflecting the market rates having regard to the individual's performance and responsibilities. Variable components, along with employee share options, are linked directly to specific performance targets that are aligned to annual objectives.

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

The Company does not presently have a formal policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in its equity-based remuneration scheme.

The Company acknowledges that from time to time, Directors and members of Management and Staff may in the course of their duties become aware of Inside Information (information not generally known to the market and, if known publicly, would likely have a material impact on the price of shares) in respect of the Company.

The Company requires Directors, Management and Staff not to buy or sell the Company's shares (or other securities) at any point in time where the person involved has knowledge which constitutes Inside Information. This requirement also includes a restriction not to trade in other company securities where Inside Information has been obtained in relation to negotiations that the Company may be involved in. Additional restrictions apply to the Directors and certain employees - "Designated Officers". The Designated Officers are Company Directors (including Executive Directors), the Chief Executive Officer, the Executive Team and employees specifically notified by their Executive Team Member.

Designated Officers are not permitted to buy or sell shares in the Company other than in exceptional circumstances approved by the Board during the period commencing 15 days prior to the last day of the half year or full year as the case may be and ending 24 hours after the release of the corresponding results announcement.

Designated Officers are permitted to buy or sell shares in the Company at any other time so long as they are not in possession of "Inside Information" (as the insider trading prohibitions continue to apply at all times); and follow the notification requirements set out in the updated share trading policy. Short term buying and selling of shares in the Company should be avoided where possible. Designated officers are not permitted to buy and sell shares in the Company within any three month period unless approval is provided by the Company.

Directors and senior management must notify the Company Secretary before they sell or buy shares in the Company. Details of all security transactions by Directors must be notified to the Company Secretary prior to their occurrence and are publicly reported to the ASX.

Considering the above recommendations the company has decided to establish the following in the next financial year:

- A. Expand the Audit Committee to include risk management in order to comply with Principle 7, Recommendations 7.1 and 7.2.
- B. Establish a Nomination and Remuneration Committee which also covers the management of all equity based schemes to comply with Principle 8.

The Board shall adopt Charters setting out the membership, authority, duties, responsibilities and reporting obligations of each Committee and evaluating the performance or establishing a method for evaluating the performance of the Committees.

It has also decided to implement an internal formal process for evaluating the performance of the Board to comply with Principle 1, Recommendation 1.6.