

Corporate Governance Statement

Unit 13, 112-118 Talavera Road North Ryde NSW 2113 Australia

ACN 056 210 774 August 2016

This Corporate Governance Statement sets out INTECQ Limited's (**Company**) compliance with the third edition of ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, the Company is required to provide this statement disclosing the extent to which it has followed the recommendations contained in the ASX Principles and Recommendations. This corporate governance statement is current as at 30 June 2016 and has been approved by the board of the Company (**Board**).

	ASX Principles and Recommendations	Comply (Yes/No)	Explanation
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.	Yes	<p>The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:</p> <ul style="list-style-type: none"> (a) maintain and increase shareholder value; (b) ensure a prudential and ethical basis for the Company's conduct and activities; and (c) ensure compliance with the Company's legal and regulatory objectives. <p>Consistent with these goals, the Board assumes the following responsibilities:</p> <ul style="list-style-type: none"> (a) developing initiatives for profit and asset growth; (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis; (c) acting on behalf of, and being accountable to, the shareholders; and (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality. <p>The Company is committed to the circulation of relevant materials to directors in a timely manner to facilitate directors' participation in Board discussions on a fully informed basis.</p>
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a	Yes	<p>The Company undertakes background checks with regards to the person's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director. Any material information relevant to a decision on whether or not to elect or re-elect a director is provided to security holders.</p>

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	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.	Yes	When an individual is nominated to be a director, their career history with their relevant professional history and qualifications is circulated to the security holders in the Company.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Directors are given letters of appointment and/or service agreements, and senior executives are given employment contracts prior to their engagement with the Company.
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.	Yes	The company secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.
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	Yes	<p>The Company is an equal opportunity employer and welcomes people from a diverse range of backgrounds. The Board adopted a diversity policy in November 2015. A copy of the policy is available on the Company's website at the following URL: http://www.intecqlimited.com/media/1690/intecq-diversity-policy-november-2015.pdf</p> <p>In accordance with the requirements of the <i>Workplace Gender Equality Act 2012</i> (Cth), the Company has lodged its annual public report with the Workplace Gender Equality Agency. A copy of this report can be found at the following URL: http://www.intecqlimited.com/media/1693/15-16-public-report-for-workplace-gender-equality.pdf</p>

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	under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Yes	
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>The performance of the Board as a group and of individual directors is to be assessed each year. In particular, all directors seeking re-election at an annual general meeting will be subject to a formal performance appraisal to determine whether the Board (with their absents themselves) recommends their re-election to shareholders.</p> <p>The Company confirms that both formal and informal performance appraisals were undertaken in the reporting period and that the performance of the board and its committees have been monitored and assessed throughout the reporting period.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each</p>	<p>Yes</p> <p>Yes</p>	<p>The Board and senior management team will regularly review the performance of its senior executives and address any issues that may emerge.</p> <p>The Company confirms that a formal performance appraisal was undertaken in the reporting period.</p>

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	reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		
2.	Structure the board to add value		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</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</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>Since August 2015, the functions of the Nomination Committee have been amalgamated with the Remuneration Committee, and the committee has accordingly been renamed the Remuneration and Nomination Committee (Remuneration and Nomination Committee). The Remuneration and Nomination Committee consists of four members – Mr Paul Oneile (chairman), Mr Ian James, Mr Michael Hale and Mr Simon Kelly.</p> <p>All the committee members are considered to be independent directors by the Company.</p> <p>The Remuneration and Nomination Committee during the 2016 financial year had the following responsibilities:</p> <ul style="list-style-type: none"> • monitoring the ongoing development of the Board, consistent with the Company's growth and development prospects; • making recommendations for the appointment and removal of directors to the Board; • evaluating the performance and contribution of individual directors and the Board committees; and • assisting the Board in establishing remuneration policies and practices that enable the Company to attract, retain and motivate executives and directors who will pursue the long-term growth and success of the Company. <p>During the 2016 financial year, the Remuneration and Nomination Committee met a total of three times.</p>

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	<p>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>A copy of the Remuneration and Nomination Committee Charter, which was adopted on 14 August 2015, is available on the Company's website at the following URL:</p> <p>http://www.intecqlimited.com/media/1656/itq-remuneration-and-nomination-committee-charter.pdf</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.	Yes	<p>The Board strives to ensure that it is comprised of directors with a blend of skills, experience and attributes appropriate for the Company and its business.</p> <p>On 14 August 2015, the Company resolved to adopt a Board Skills Matrix. The Remuneration and Nomination Committee is responsible for preparing and updating the Board Skills Matrix.</p> <p>The Board Skills Matrix was updated in June 2016 and it is now available on the Company's website.</p>
2.3	A listed entity should disclose:	Yes	The Company has disclosed the details of the directors in its 2016 Annual Report. Information

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	(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.		<p>with respect to potential issues of independence may be disclosed to the market but no formal policy exists to ensure such disclosure.</p> <p>The Board regularly assesses director independence having regard to the criteria outlined in the ASX Governance Principles and Recommendations.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Yes	<p>The Board has reviewed the position and associations of each of the six directors and has determined that five directors are independent – Mr Paul Oneile, Dr Allan Sullivan, Mr Michael Hale, Mr Ian James and Mr Simon Kelly.</p> <p>In making this determination the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant.</p> <p>The Board assesses the independence of new directors upon appointment and reviews their independence, and the independence of the other directors, as appropriate.</p>

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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.	Yes	The Chairman of the Board, Mr Paul Oneile, is considered an independent director.
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.	No	<p>The Company does not have a formal induction program for new directors.</p> <p>Nevertheless, on an individual basis, as appropriate, the Company takes care in ensuring that directors have an appropriate understanding of the Company to ensure that they are able to effectively fulfil their responsibilities as a director. The Company encourages directors to maintain and enhance their skills and knowledge throughout their tenure.</p>
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.	Yes	<p>The Board is committed to the establishment and maintenance of appropriate ethical standards in order to instil confidence in clients, investors and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business.</p> <p>The Company's Code of Conduct is available on the Company's website at the following URL:</p> <p>http://www.intecqlimited.com/media/1654/itq-code-of-conduct.pdf</p>
4.	Safeguard integrity in corporate reporting		
4.1	The board of a listed entity should: (a) have an audit committee which:	Yes	Since August 2015, the functions of the Audit Committee have been amalgamated with the Risk Committee, and the committee has accordingly been renamed the Audit and Risk Committee (Audit and Risk Committee). The Audit and Risk Committee

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	<p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>consists of four non-executive directors – Dr Allan Sullivan (chairman), Mr Paul Oneile, Mr Ian James and Mr Simon Kelly.</p> <p>Mr Sullivan, Mr Oneile, Mr James and Mr Kelly are considered by the Company to be independent directors.</p> <p>A copy of the charter to the Audit and Risk Committee is available at the following URL:</p> <p>http://www.intecqlimited.com/media/1657/itq-audit-risk.pdf</p> <p>The relevant qualifications and experiences of the members of the Audit and Risk Committee can be found in 2016 Annual Report.</p> <p>In the 2016 financial year, the Audit and Risk Committee met a total of two times.</p>

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	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.		
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	Yes	The Company has received a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and comply with the proper standards.

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	a sound system of risk management and internal control which is operating effectively.		
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.	Yes	The external auditor attends the AGM and is available to answer any questions from shareholders relating to how the audit was conducted and the preparation and content of the audit report.
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.	Yes	<p>The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and to ensure its compliance with the continuous disclosure requirements imposed by law (including the Corporation Act and the ASX Listing Rules).</p> <p>The Company's Continuous Disclosure Policy is available on the Company's website at the following URL: http://www.intecqlimited.com/media/1655/itq-continuous-disclosure-policy.pdf</p>
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.	Yes	The Company provides information about itself and its governance to its investors via its website, http://www.intecqlimited.com/investor-relations/asx-announcements/ which contains all relevant information about the Company and is regularly updated.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has an investor relations program in place and encourages communication with investors.
6.3	A listed entity should disclose the policies and processes it has in	Yes	The Company's Shareholders' Communication Policy is available on the Company's website at the following URL:

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	place to facilitate and encourage participation at meetings of security holders.		http://www.intecqlimited.com/media/1652/itq-shareholder-communication-policy.pdf
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.	Yes	The Company encourages shareholders to register for receipt of announcements and updates electronically.
7.	Recognise and manage risk		
7.1	The board of a listed entity should:	Yes	<p>The Audit and Risk Committee was tasked with overseeing the management of the Company's risk profile during the 2016 financial year. The composition of the Audit and Risk Committee consists of four independent directors that is, three non-executive directors and the non-executive chairman – as noted in Section 4.1 above.</p> <p>The Audit and Risk Committee Charter and the Company's Risk Management Policy current during the 2016 financial year can be found at the following URL: http://www.intecqlimited.com/investor-relations/corporate-governance/</p> <p>In the 2016 financial year, the Audit and Risk Committee met a total of two times.</p>
	(a) have a committee or committees to oversee risk, each of which:	Yes	
	(1) has at least three members, a majority of whom are independent directors; and	Yes	
	(2) is chaired by an independent director, and disclose:	Yes	
	(3) the charter of the committee;	Yes	
	(4) the members of the committee; and	Yes	
	(5) as at the end of each reporting period, the	Yes	

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	<p>number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework..</p>	N/A	

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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>Yes</p> <p>Yes</p>	<p>The Board reviews and approves the risk management and oversight processes regularly. It is the practice of the Board to have a report on risks included in the CEO's monthly board reporting, to allow the Board to respond quickly should the risk management framework need to be adjusted.</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; 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>N/A</p> <p>Yes</p>	<p>The Company's Audit and Risk Committee charter discloses internal controls, for consideration and review jointly by the Company and the external auditor. This Charter also outlines expected strategies for the improvement of risk management. The charter is available on the Company's website at the following URL: http://www.intecqlimited.com/media/1657/itq-audit-risk.pdf.</p> <p>The Audit and Risk Committee is committed to effective management and the control of these factors and does not consider it necessary to have an internal audit function at this time.</p>

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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.	Yes	All material risks are announced to the market, in accordance with the requirements of the ASX Listing Rules.
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</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Remuneration and Nomination Committee consists of four non-executive Directors: Mr Paul Oneile (chairman), Mr Ian James, Mr Michael Hale and Mr Simon Kelly. All committee members are considered by the Company to be independent directors.</p> <p>The Company has disclosed the details of the members of the committee in its 2016 Annual Report.</p> <p>The charter for the Remuneration and Nomination Committee is available on the Company's website, http://www.intecqlimited.com/media/1656/itq-remuneration-and-nomination-committee-charter.pdf.</p> <p>In the 2016 financial year, the Remuneration Committee met a total of three times.</p>

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	<p>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>	N/A	
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	Yes	The Company's policies and practices regarding the remuneration of executive and non-executive directors is set out in the Remuneration Report (forming part of the 2016 Annual Report).

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8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Trading in securities is governed by the Company's Securities Trading Policy. The Company's Securities Trading Policy restricts the trading of the Company's securities by those who receive equity based remuneration. The Securities Trading Policy is available on the Company's website: http://www.intecqlimited.com/media/1651/itg-securities-trading-policy-002.pdf</p> <p>Clause 13 of this policy also discourages speculative trading in the securities and clause 14 prohibits the use of margin lending and other secured financing arrangements of equity securities held by personnel the subject of the policy.</p>