

## Appendix 4G

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

Name of entity

Titan Energy Services Limited

ABN/ARBN

79 150 110 017

Financial year ended

30 June 2015

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

- these pages of our annual report: \_\_\_\_\_
- this URL on our website: <http://titanenergyservices.com.au/investor-centre/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at 16 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: 16 October 2015



Sign here: \_\_\_\_\_

Company secretary

Print name:

Christine Hayward

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

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

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

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

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

## 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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</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>✓ in our Corporate Governance Charter, Section A - Principles of Corporate Governance, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Charter, Section E – Nominations and Remuneration Committee Charter, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p> <p>✓ in our Notice of Annual General Meeting</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</p> <p>✓ in the Remuneration Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Statement</li> <li>✓ in our Corporate Governance Charter, Section A - Principles of Corporate Governance, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></li> <li><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</li> </ul>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Statement</li> <li>✓ in our Corporate Governance Charter, Section H – Diversity Policy, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul> <p>(b)... and a copy of our diversity policy or a summary of it:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Charter, Section H – Diversity Policy, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Statement</li> <li>✓ A copy of the 2014-15 Public WGEA Report can be found at <a href="https://www.wgea.gov.au/report/public-reports">https://www.wgea.gov.au/report/public-reports</a></li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></li> <li><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</li> </ul> <p>(c)... 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>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p>✓ in our Corporate Governance Statement</p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>✓ in our Corporate Governance Statement</p> <p>✓ in the Remuneration Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p> <p>... and the information referred to in paragraph (b):</p> <p>✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></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>✓ in our Corporate Governance Statement</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p> <p>... and a copy of the charter of the committee:</p> <p>✓ in our Corporate Governance Charter, Section E – Nominations and Remuneration Committee, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p>✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
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>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p> <p>... the length of service of each director:</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>... the fact that we follow this recommendation:</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p>✓ In our Corporate Governance Charter, Section A – Principles of Corporate Governance and Section G – Corporate Ethics Policy, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p>✓ in our Corporate Governance Statement</p> <p>✓ in our Corporate Governance Charter, Section C – Audit Committee, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p> <p>... and a copy of the charter of the committee:</p> <p>✓ in our Corporate Governance Charter, Section C – Audit Committee, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Charter, Section A – Principles of Corporate Governance, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Statement</li> </ul>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Charter, Section G – Corporate Ethics Policy, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Charter, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul>	<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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
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>✓ in our Corporate Governance Charter, Section A – Principles of Corporate Governance, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p>✓ in our Corporate Governance Charter, Section A – Principles of Corporate Governance, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p>	<p>[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>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>(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; <b>OR</b></p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>... and a copy of the charter of the committee:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Charter, Section D – Environmental, Risk and Occupational Health and Safety Charter, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul> <p>... and the information referred to in paragraphs (4) and (5):</p> <ul style="list-style-type: none"> <li>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></li> </ul> <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 <b>OR</b></p> <p><input type="checkbox"/> at this location: <i>Insert location here</i></p>	
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <ul style="list-style-type: none"> <li>✓ in our Corporate Governance Statement</li> <li>✓ in our Corporate Governance Charter, Section D – Environmental, Risk and Occupational Health and Safety Charter, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></li> </ul>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <b>OR</b></p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and</p>	<p>[If the entity complies with paragraph (a):]  ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p>	<p><input type="checkbox"/> 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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
continually improving the effectiveness of its risk management and internal control processes.	<input type="checkbox"/> at this location: <i>Insert location here</i>  [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:  <input checked="" type="checkbox"/> in our Corporate Governance Statement	
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.	... 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:  <input checked="" type="checkbox"/> in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b><u>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</u></b>		
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; <b>OR</b> (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	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):  <input checked="" type="checkbox"/> in the Directors Report contained with the 2015 Annual Report, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a>  ... and a copy of the charter of the committee:  <input checked="" type="checkbox"/> in our Corporate Governance Charter, Section E – Nominations and Remuneration Committee Charter, available on our website at: <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a>  ... and the information referred to in paragraphs (4) and (5):	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>✓ in the Directors Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location: <i>Insert location here</i></p>	
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p>✓ in the Remuneration Report contained with the 2015 Annual Report, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/">http://titanenergyservices.com.au/investor-centre/asx-releases-and-company-reporting/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p>✓ in our Corporate Governance Charter, Section I – Trading Policy, available on our website at:  <a href="http://titanenergyservices.com.au/investor-centre/corporate-governance/">http://titanenergyservices.com.au/investor-centre/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at 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>

## **Corporate Governance Statement For the period ended 30 June 2015**

In fulfilling its obligations and responsibilities to its various stakeholders, the Board remains a strong advocate of corporate governance. This Statement outlines the principle corporate governance procedures of the Company. The Board supports a system of corporate governance to ensure that the management of the Company is conducted to maximise shareholder wealth in a proper and ethical manner.

### **ASX Corporate Governance Council recommendations**

The Board has adopted corporate governance policies and practices consistent with reference to the Australian Securities Exchange (ASX) Corporate Governance Council's Principles and Recommendations 3<sup>rd</sup> Edition released 27 March 2014, where considered appropriate for the Company's size and nature.

Unless otherwise indicated the Company has followed the ASX Principles and Recommendations during the period. This Statement should be read in conjunction with the Company's Corporate Governance Charter and other material located on our website ([www.titanenergyservices.com.au](http://www.titanenergyservices.com.au)), including the 2015 Annual Report.

This Statement is current as at 16 October 2015 and has been approved by the Titan Energy Services Limited Board.

### **Principle 1: Lay solid foundations for management and oversight**

The Board has implemented a Corporate Governance Charter that formalises the functions and responsibilities of the Board and Committees. The Chief Executive Officer is responsible for running the affairs of the Company under the delegated authority from the Board. The Corporate Governance Charter is published on the Company's website.

Written agreements are in place for each Director and Senior Executive setting out the material terms of their appointment, including a description of position and duties, reporting lines, remuneration arrangements, termination rights and entitlements. Contract details of Senior Executives that are key management personnel are summarised in the Remuneration Report within the Annual Report that can be accessed via the Company's website.

The Company Secretary is appointed by the Board and is directly accountable to the Board, through the Chairperson on all matters to do with the proper functioning of the Board.

The Company has established a Diversity Policy, but has not set measurable objectives for achieving gender diversity given the current operations and employee levels. The Board and Management recognise that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people.

A summary of the Company's 2014-15 Public Workplace Gender Equality Agency Report, is provided below:

	Female	Male
Board	0%	100%
Manager	28%	72%
Non-Manager	43%	57%

The Nominations and Remuneration Committee is responsible for the assessment of any Board member or Senior Manager. Performance of the Board and Committees was evaluated utilising a self-assessment process including a review of skills and experience with reference to the Company's current position.

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

The Company's Corporate Governance Committee is managed by the Board as a whole, and together with the Nominations and Remuneration Committee they ensure an appropriate Board and Committee structure is in place to review performance of members of the Board and Committees. Membership of Nominations and Remuneration Committee and the number of meetings held during the year are included in the 2015 Annual Report – Directors Report.

The names of the Directors of the Company in office at the date of this Statement as well as independence, skills, experience, expertise and term of office are set out in the 2015 Annual Report – Directors Report.

The Board developed and reviewed a Board Skills Matrix during the year confirming the Directors have relevant and an extensive range of industry sector experience, financial, risk management and other skills and expertise necessary to direct the Company.

Directors appointed to the Board participate in the Company's Corporate Induction program, are provided with an overview of the quality management system, core policies and procedures with access to historical Directors meeting minutes, board papers, financial results and related information.

**Principle 3: Act ethically and responsibly**

The Company's Corporate Ethics Policy and Code of Conduct is contained within the Corporate Governance Charter, setting out the standard that the Board, Management and employees are encouraged to comply with when dealing with each other, shareholders and the broader community.

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

The Audit Committee Charter forms part of the Company's Corporate Governance Charter with membership and number of meetings held during the year included in the 2015 Annual Report – Directors Report.

The Company's external auditor attends the Annual General Meeting and is available to answer shareholder questions regarding the audit.

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

The Company's continuous disclosure obligations under the Listing Rule are detailed in the Corporate Ethics Policy within the Corporate Governance Charter.

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

Shareholders have the option to receive communications from, and send communications to, the Company and the share registry electronically. This forms part of the initial shareholder welcome information, communications preference form, and may be changed at any time by contacting the share registry.

**Principle 7: Recognise and manage risk**

The Environmental, Risk and Occupational Health and Safety Committee Charter forms part of the Company's Corporate Governance Charter with membership and number of meetings held during the year included in the 2015 Annual Report – Directors Report.

A review of the Company's risk management policy framework and associated risk management practices was completed during the year. Key risk factors specific to the Company and of a general nature are detailed in the 2015 Annual Report – Directors Report.

The Company does not have a formal internal audit function due to its current size. The Committee monitors the processes employed for evaluating and continually improving the effectiveness of its risk management and internal control processes. The Committee's risk management review activities includes the ability to engage an external party to carry out internal audit reviews for specific functions as required.

**Principle 8: Remunerate fairly and responsibly**

The Nominations and Remuneration Committee Charter forms part of the Company's Corporate Governance Charter with membership and number of meetings held during the year included in the 2015 Annual Report – Directors Report.

The 2015 Annual Report – Remuneration Report contains details of remuneration to the Directors and Key Management Personnel.

The Company's Trading Policy is set out within the Company's Corporate Governance Charter.