

IBUYNEW GROUP LIMITED

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement sets out the extent to which the Company has followed the recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations for the year ending 30 June 2019.

Principles and Recommendations	Compliance	Comment
1. Lay solid foundations for management and oversight		
1.1 A listed entity should disclose:	Complies	The Company has established a Board Charter, which discloses the specific responsibilities of the Board and those of senior executives.
a) The respective roles and responsibilities of its Board and management; and		The Board delegates responsibility for the day to day operations and administration of the Company to the Chief Executive Officer.
b) Those matters expressly reserved to the Board and those delegated to management.		The Company's Board Charter is posted on the Company's website.
1.2 A listed entity should:	Complies	The Chairman and Chief Executive Officer are responsible for ensuring that appropriate checks are undertaken before a director candidate is appointed or put forward to security holders for election. These include appropriate reference checks including criminal history and bankruptcy checks.
a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and		All material information in the Company's possession relevant to a decision on whether or not to elect or re- elect a director is provided to security holders in the notice of the meeting at which the director is to be put forward for election or re-election, including the potential director's curriculum vitae containing relevant professional history and qualifications
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		

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<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complies	All directors and senior executives have in place written agreements with the Company setting out the terms of their appointment and/or employment.
<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>	Complies	<p>The Company Secretary reports directly to the Chairman and Chief Executive Officer. The decision to appoint or remove the Company Secretary is made by the Board.</p> <p>Since the end of the reporting period, the Company Secretary resigned on 5 September 2019 and trading of securities in the Company were suspended from 9 September 2019.</p>
<p>1.5 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, either;</p>	Does not comply	<p>The Board believes that the Company benefits from diversity.</p> <p>Due to the size of the Company and small number of persons employed by the Company and its controlled entities, the Board has not established a formal diversity policy.</p> <p>Whilst the Company does not have a formal diversity policy a summary of the Company's diversity by gender is disclosed below.</p> <p>As the Company does not have a formal diversity policy it does not disclose measurable objectives for achieving gender diversity</p> <p>As the Company develops, the Board intends to review its practices, and if deemed necessary in the future, the Board may consider adopting a policy.</p>

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<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 the Act.</p>		<p>The Company discloses the following gender diversity statistics for the Company and its controlled entities as at 30 June 2019:</p> <ul style="list-style-type: none"> (i) 40% of the Company’s employees are female; (ii) 33% of the Company’s senior executives are female; and (iii) 0% of the Board is female. <p>The Company is not a ‘relevant employer’ under the Workplace Gender Equality Act.</p>
<p>1.6 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>	Partly complies	<p>Although the Company has a process for evaluating the performance of the Board, the Company has not disclosed this process. Performance evaluation on Directors is undertaken by the Chairman against agreed key performance indicators and reported to the Board. Performance evaluation on the Chairman is undertaken by the Board against key performance indicators with the Chairman not participating in the discussion and not participating on any vote or resolution on the matter.</p> <p>There was no annual performance evaluation of the Board this year, however the Board intends to implement an annual review process if and when the size and scope of the Company increases, including evaluating individual directors.</p>

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<p>1.7 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 and in accordance with that process.</p>	Does not comply	<p>The Company has a process for evaluating the performance of its senior executives but has not disclosed this process.</p> <p>There was no annual performance evaluation of senior executives this year, however the Board intends to implement an annual review process to be conducted annually on key management personnel.</p>
<p>2. Structure the Board to Add Value</p> <p>2.1 The Board of a listed entity should:</p> <p>a) Have a nomination committee which:</p> <p style="padding-left: 20px;">i) Has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">ii) Is chaired by an independent director;</p> <p>and disclose;</p> <p style="padding-left: 20px;">iii) the charter of the committee</p> <p style="padding-left: 20px;">iv) the members of the committee; and</p> <p>v) As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>	Does not comply	<p>Due to the size of the Company, the Board to date has not considered that it is practicable to establish a Nomination Committee. The Board currently performs these duties of appointing new directors and undertaking appropriate checks before such appointments.</p>

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<p>b) If it does not have a nomination committee, disclose the 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>An informal assessment process has been facilitated by the Chairman in consultation with the Company’s professional advisors (as required) to address succession issues and to ensure that the Board has the appropriate balance of skills, knowledge and experience to discharge its duties.</p>
<p>2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	Does not comply	<p>The skills of each Board member are disclosed on the Company’s website and in the Company’s Annual Report for each year. 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. The Board believes that a board skills matrix is currently not required given the size of the Company but will consider implementing a board skills matrix in the future as the Company continues to develop.</p>
<p>2.3 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 but the Board has the opinion that it does not compromise the independence of the director, the nature of the interest, position 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>	Complies	<p>The names of the directors considered by the Board to be independent are:</p> <ul style="list-style-type: none"> - Stephen Quantrill; - Kar Wing (Calvin) Ng; and - Warren McCarthy. <p>Stephen Quantrill also has a relationship with the Company by reason of being one of the lenders (through McRae Investments Pty Ltd, an entity associated with him) in the \$2,450,000 senior secured loan facility as announced to the market on 15 January 2019. The Board is of the opinion that this relationship does not compromise the independence of the director as his associated entity (McRae Investments Pty Ltd) entered into the secured loan facility with a number of other third-party lenders on the same terms which were negotiated at arms’ length. In addition, those Directors who have interests in specific transactions or potential transactions do not participate in any part of a Directors’ meeting which considers those transactions or potential transactions, are not involved in the</p>

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decision-making process in respect of those transactions or potential transactions and are asked not to discuss those transactions or potential transactions with other Directors.

The details of each director (including their length of service) are disclosed in the Annual Report for the financial year ended 30 June 2019.

Principles and Recommendations	Compliance	Comment
<p>2.4 A majority of the board of a listed entity should be independent directors</p>	Does not comply	Given the size of the Company, the Board does not consider it practicable to hire a majority independent board.
<p>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.</p>	Complies	The Company's Chairman, Mr. Warren McCarthy, is an independent director. Mr McCarthy resigned on 15 June 2019. Mr Stephen Quantrill replaced Mr McCarthy as chair on an interim basis until a new chair is appointed.
<p>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 effectively.</p>	Does not comply	<p>The company has an informal program for inducting a new Director, while the Company Secretary ensures that all Directors are informed of changes in governance obligations.</p> <p>The company also encourages attendances at professional development courses such as those held by AICD.</p>
<p>3. Act Ethically and Responsibly</p>		
<p>3.1 A listed entity should:</p> <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>	Complies	<p>The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.</p> <p>A code of conduct has been established requiring directors and employees to, amongst other things:</p> <ul style="list-style-type: none"> a. act honestly; b. exercise due care and diligence in fulfilling the functions of office; c. not use their position or information for personal gain;

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including the process for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Principles and Recommendations	Compliance	Comment
<p>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>	Complies	<p>The Board receives a declaration from the Chief Executive Officer and the Chief Financial Officer for each of the Full Year and Half Year reporting periods that in their opinion, the financial records have been properly maintained and 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.</p> <p>The Company currently does not have a CFO however the CEO is the person who is responsible for performing the functions of a CFO and has given the declaration referred to above in both capacities.</p>
<p>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>	Complies	<p>The Company’s external auditor attends the Annual General Meeting and is available to answer questions from securityholders relevant to the audit.</p>
<p>5. Make timely and balanced disclosure</p>		
<p>5.1 A listed entity should:</p> <ul style="list-style-type: none"> a) Have a written policy for complying with its continuous obligations under the Listing Rules; and b) Disclose that policy or a summary of it. 	Complies	<p>The Board has adopted a Continuous Disclosure Policy to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and to ensure accountability for compliance. The Continuous Disclosure Policy is posted on the Company’s website.</p>

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6. Respect the rights of shareholders		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company provides information about itself and its governance to investors via its website which contains information pertaining to the Company including Directors and management, policies, ASX announcements, presentations and reports.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two – way communication with investors.	Complies	<p>The Board has established practices to facilitate effective communication with shareholders. The Chief Executive Officer and the Company Secretary oversee this process through the Company’s website. Regular briefings are held with professional investors. Prior to such briefings, any new information to be disclosed to investors is first released to the ASX.</p> <p>All shareholders are notified of General Meetings and are strongly encouraged to attend and participate in the General Meetings of the Company, to lodge questions to be answered by the Board and / or Chief Executive Officer and, are able to appoint proxies.</p>
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.	Does not comply	The Company does not have a formal public disclosure policy, however seeks to promote effective communication with shareholders through ASX announcements and encourages effective participation by shareholders at general meetings.
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.	Complies	Shareholders are encouraged to provide their email address to enable electronic communication to and from the Company and its share registry.

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7. Recognise and manage risk		
7.1 The Board of a listed entity should:	Does not comply	Due to the present size of the Company, the Company does not have a stand-alone risk management committee, however the full Board is responsible for the oversight and management of all material business risk. The Board's collective experience allows it to assess, manage and monitor the risk profile of the Company. The Board will continue to assess the need for a separate risk management committee as the Company grows in size and complexity.
<ul style="list-style-type: none"> a) Have a committee or committees to oversee risk, each of which; <ul style="list-style-type: none"> 1) Has at least three members, a majority of whom are independent directors; and 2) Is chaired by an independent director; 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 through the period and the individual attendance of the members at those meetings; 		
<ul style="list-style-type: none"> 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. 	Complies	<p>The Board undertakes assessment of the business' risk profile considering key operational risks, potential changes and how they can be managed, at Board meetings.</p> <p>The Chief Executive Officer has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight and is required to report to the Board on whether such risks are being managed effectively.</p>

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<p>7.2 The Board or 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>	Complies	<p>The Board annually reviews and approves the risk management policies of the Company. The Chief Executive Officer reports to the Board on the effectiveness of the Company’s management of its material business risks at Board meetings held throughout the year.</p> <p>The Board considered current and potential risks of the Company in meetings held throughout the year during the reporting period.</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 role it performs;</p> <p style="padding-left: 20px;">and</p> <p>b) If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>a) Does not comply</p> <p>b) Complies</p>	<p>The Company does not have an internal audit function in respect of risk assessment. Nonetheless, it remains committed to effectively managing and controlling risk.</p> <p>The Board is responsible for reviewing and assessing the effectiveness of the Company’s system of risk management, however does not disclose the processes it uses to evaluate and improve risk management and internal controls. The Chief Executive Officer and senior management team provide advice and recommendations to the Board regarding the ongoing development of risk oversight and management policies.</p>
<p>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>	Complies	<p>Any material exposure to risk is disclosed in the Annual Report of the Company and if required announced to the market in accordance with ASX continuous disclosure requirements.</p>

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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.	Complies	<p>The Board has not adopted a formal Remuneration Policy, however the total maximum remuneration of Non-executive Directors is currently set at \$500,000 with any increases subject to Shareholder approval in accordance with the Company’s constitution, the Corporations Act and the ASX Listing Rules, as applicable.</p> <p>The determination of Non-executive Directors’ remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each Non-executive Director. The Board may award additional remuneration to Non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.</p> <p>The Board reviews the senior executive packages annually by reference to Company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. Remuneration for all key management personnel for the Company, including all monetary and non-monetary components are detailed in the Directors’ Report.</p>
	Principles and Recommendations	Compliance	Comment
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 limited the economic risk of participating in the scheme; and</p> <p>b) disclose that policy or a summary of it.</p>	Complies	<p>The Company does not have a formal equity based remuneration scheme, however the Company has a Securities Trading Policy that prohibits the trading of the Company’s securities by those who receive equity based remuneration.</p> <p>Any equity based remuneration to Directors is subject to Shareholder approval and the terms and conditions are provided to Shareholders for consideration at a General meeting and disclosed in the Annual Report.</p>