

Rules 4.7.3 and  
4.10.3<sup>1</sup>

## ASX APPENDIX 4G

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

Name of entity

**VOLTAGE IP LIMITED**

**ABN 83 057 884 876**

**Financial year ended 30 June 2017**

Our Corporate Governance Statement<sup>2</sup> has been released to the ASX and is located on the Company's website  
[www.voltageip.com.au/news](http://www.voltageip.com.au/news)

This Corporate Governance Statement is accurate and up to date as at 30 September 2017 and has been approved by the Board.

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

*Andrew Metcalfe*

Sign here:

\_\_\_\_\_  
Company Secretary

Print name:

Andrew Metcalfe

<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 4G

## 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 <u>NOT</u> 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	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement (CGS) at Section 1.1 and 1.2 of CGS  ... 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): at Section 1.1 and 1.2 of CGS	Not Applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Section 1.3 of CGS	Not Applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Section 1.4 of CGS	Not Applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Section 1.5 of CGS	Not Applicable
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or	... the fact that we have a diversity policy that complies with paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement at Section 1.6 of CGS ... and a copy of our diversity policy or a summary of it:  ... 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: <input type="checkbox"/> in our Corporate Governance Statement at Section 1.6 of CGS  ... and the information referred to in paragraphs (c)(1) _____	<input checked="" type="checkbox"/> an explanation is reported in our Corporate Governance Statement  at Section 1.6 of CGS

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	(2) 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.	or (2): <input type="checkbox"/> in our Corporate Governance Statement at Section 1.6 of CGS	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement at Section 1.7 of CGS ... and the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement at Section 1.7 of CGS	<input checked="" type="checkbox"/> an explanation is reported in our Corporate Governance Statement at Section 1.7 of CGS
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement at Section 1.7 of CGS ... and the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement at Section 1.7 of CGS	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement at Section 1.7 of CGS
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b> (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.	[If the entity complies with paragraph (a):] ... the fact that the Company does not have a nomination committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement ... and a copy of the Committee Charter ... and the information referred to in paragraphs (4) and (5): <input type="checkbox"/> in our Corporate Governance Statement  [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: <input type="checkbox"/> in our Corporate Governance Statement at Section 2.1 and 2.2 of CGS	<input checked="" type="checkbox"/> an explanation is provided in our Corporate Governance Statement at Section 2.1 and 2.2 of CGS

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	... our board skills matrix: <input type="checkbox"/> in our Corporate Governance Statement at Section 2.3 of CGS	Not Applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input type="checkbox"/> in our Corporate Governance Statement at Section 2.1 and 2.7 of CGS  ... where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement at Section 2.7 of CGS  ... the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement at Sections 1.4 of CGS	Not Applicable
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we do not follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Sections 2.1, 2.6 and 2.7 of CGS	<input checked="" type="checkbox"/> an explanation is provided in our Corporate Governance Statement at Sections 2.1, 2.6 and 2.7 of CGS
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we do not follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Sections 2.4, 2.6 and 2.7 of CGS	<input checked="" type="checkbox"/> an explanation is provided in our Corporate Governance Statement at Sections 2.4, 2.6 and 2.7 of CGS
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at Sections 2.8 of CGS	Not Applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our <u>code of conduct</u> or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement at Sections 3.1 of CGS	Not Applicable
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors	If the entity complies with paragraph (a): ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement	

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>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, 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>... and a copy of the Committee Charter:</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>If the entity complies with paragraph (b):</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement at Section 4.1 of CGS</p>	<p><input checked="" type="checkbox"/></p> <p>an explanation is provided in our Corporate Governance Statement at Section 4.1 of CGS</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>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement at Sections 4.2 of CGS</p>	Not Applicable
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement at Sections 4.3 of CGS</p>	Not Applicable
<b>PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement at Sections 5.1 of CGS</p>	Not Applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	<i>A listed entity should provide information about itself and its governance to investors via its website.</i>	... information about us and our governance on our website: <input type="checkbox"/> The company's website is <a href="http://www.voltageip.com.au">www.voltageip.com.au</a>	Not Applicable
6.2	<i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i>	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at <b>Sections 6.1 of CGS</b>	Not Applicable
6.3	<i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</i>	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input type="checkbox"/> in our Corporate Governance Statement at <b>Sections 6.2 of CGS</b>	Not Applicable
6.4	<i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i>	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement at <b>Sections 6.1 of CGS</b>	Not Applicable
<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>(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 risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>If the entity complies with paragraph (a):</p> <p>... the fact that we do not have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement ... and a copy of the charter of the committee: _____</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> at <b>section 4.1 and 7.1 of CGS</b></p> <p>If the entity complies with paragraph (b):</p> <p>... 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 at <b>Sections 7.1 of CGS</b></p>	<p><input checked="" type="checkbox"/></p> <p>an explanation is provided in our Corporate Governance Statement at <b>Section 7.1 of CGS</b></p> <p>_____</p> <p>_____</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement	<input checked="" type="checkbox"/> an explanation is provided in our Corporate Governance Statement  at Section 7.1 of CGS
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u> (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.	If the entity complies with paragraph (a): ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement 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 type="checkbox"/> in our Corporate Governance Statement at Section 7.3 of CGS	<input checked="" type="checkbox"/> an explanation is provided in our Corporate Governance Statement  at Section 7.3 of CGS
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 type="checkbox"/> in our Corporate Governance Statement at Section 7.2 of CGS	Not Applicable
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</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; <u>OR</u> (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.	[If the entity complies with paragraph (a):] ... the fact that we do not have a remuneration committee that complies with paragraphs (1) and (2): <input type="checkbox"/> in our Corporate Governance Statement ... and a copy of the Committee Charter: ... and the information referred to in paragraphs (4) and (5): <input type="checkbox"/> in our Corporate Governance Statement 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: at Section 8.1 of CGS	<input checked="" type="checkbox"/> an explanation is provided in our Corporate Governance Statement  at Section 8.1 of CGS

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
8.2	<i>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.</i>	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 8.2 of CGS and in the Remuneration Report within the Annual Report	Not Applicable
8.3	<i>A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.</i>	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement at Section 8.3 of CGS	Not Applicable



## **2017 Corporate Governance Statement and ASX Appendix 4G Key to Disclosures of Corporate Governance Principles and Recommendations**

Voltage IP Limited (ASX: VIP) is pleased to attach the Company's 2017 Corporate Governance Statement and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations).

The Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition, March 2014) issued by the ASX Corporate Governance Council in respect of the financial year ended 30 June 2017.

Accordingly, the Company can lodge its Corporate Governance Statement on ASX and need not include it within its 2017 Annual Report.

The Company's 2017 Corporate Governance Statement, ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) and other ancillary corporate governance related documents has been released to the ASX and can be found on the ASX website.

For further information, please contact:

Andrew Metcalfe  
Company Secretary  
Voltage IP Limited

ABN. 83 057 884 876  
ASX Code: VIP

## **CORPORATE GOVERNANCE STATEMENT**

### **INTRODUCTION**

The Board of Directors ("Board") is committed to maintaining high standards of safety, performance and corporate governance for Voltage IP Limited ("Company" or "Voltage IP"). Good corporate governance is about having a set of core values and behaviours that underpin the Group's activities and ensure transparency, accountability, fair dealing and protecting the interests of stakeholders – including shareholders, personnel, suppliers and communities in which the Group operates.

The Board supports the Corporate Governance Principles and Recommendations (3rd Edition, released in March 2014) (ASX Recommendations) developed by the ASX Corporate Governance Council (Council). The Company has adopted the 3rd Edition of the ASX Recommendations in respect of the financial year ended 30 June 2017 (Reporting Period).

The Company's practices are largely consistent with the ASX Recommendations. The Board considers that the implementation of a small number of ASX Recommendations is not appropriate, for the reasons set out below in relation to the items concerned. The Board uses its best endeavours to ensure that exceptions to the ASX Recommendations do not have a negative impact on the Company and the best interests of shareholders as a whole.

As required by the ASX Listing Rules, this Corporate Governance Statement (CGS) discloses the extent to which the Company has followed the ASX Recommendations during the Reporting Period, as summarised below:

ASX Corporate Governance Principles and Recommendations	CGS Reference
Principle 1 – Lay solid foundations for management and oversight	1.1 - 1.8
Principle 2 – Structure the Board to add value	2.1 - 2.8
Principle 3 – Act ethically and responsibly	3.1
Principle 4 – Safeguard integrity in corporate reporting	4.1 - 4.3
Principle 5 – Make timely and balanced disclosure	5.1
Principle 6 – Respect the rights of security holders	6.1 - 6.2
Principle 7 – Recognise and manage risk	7.1 - 7.3
Principle 8 – Remunerate fairly and responsibly	8.1 - 8.3

The Company has also prepared an ASX Appendix 4G – Key to Disclosures of Corporate Governance Principles and Recommendations (reporting the Company's compliance with each of the ASX Recommendations) – which has been lodged with the CGS on ASX and may be viewed and downloaded from the Company's website (details below).

A copy of the ASX Recommendations can be found on the ASX website at the following URL: <http://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf>.

The Company's latest Annual Report (and other ASX market announcements and media releases) may be viewed and downloaded from the ASX website or the Company's website at: <http://www.voltageip.com.au/news>

The names of the Independent and Non-Executive Directors currently in office and their qualifications and experience are stated in the Company's latest Annual Report.

## **Principle 1 Lay Solid foundations for management and oversight**

### **1.1. Board of Directors - Role and Responsibilities**

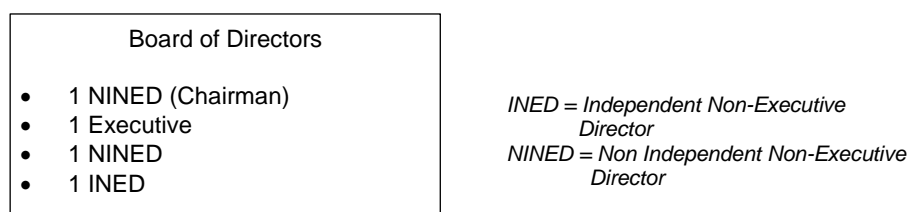
The Board plays a key role in overseeing the policies, performance and strategies of the Company. It is accountable to the Shareholders and must act in the best interest of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic objectives, plans and budgets of the Company. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Board has established a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good governance, international best practice and applicable laws. The Board will review the Board Charter as required and at least annually to ensure strong corporate governance is added to the performance of the Company which ultimately create shareholder value and engender the confidence of the investment market.

To ensure the effective discharge of its responsibilities, the Board has delineated key matters which are reserved for the Board's approval ("Board Reserved Authorities") and those delegated to the Non-Executive Chairman, Managing Director and Company Secretary/CFO. The delegation of authority to Board Committees, when formed, (namely the Audit, Business Risk and Compliance Committee and the Nomination and Remuneration Committee) are set out in the Board Charter.

The Board Reserved Authorities are set out in the Board Charter which include but are not limited to appointment of the chair; appointment and removal of the CEO, CFO, directors and Company secretary; establishment of Board Committees, their membership and delegated authorities; review and approval of transactions, investments and divestments with values exceeding the Delegation Policy of the CEO; dividends; calling of meetings of shareholders; and any other specific matters nominated by the Board from time to time, subject always to compliance with the laws and regulations applicable to the Group.

The diagram below depicts the Group's overall governance framework as at 30 September 2017:



### **1.2. Senior Management - Role and Responsibilities**

As permitted under the Company's Constitution, the Board can delegate authorities to an executive officer and to the Senior Management team, for the day to day management and operation of the Group. The Board has not adopted a formal Delegations of Authority that sets limits of authority for senior executives. Given the size and operations of the Company, the Directors closely monitor the financial position of the Company.

The following are the key delegations to the Chairman: -

- (a) Authority to commit the Company to contracts and expenditure in accordance with Company approved budget;
- (b) Managing corporate operations in Australia.

The following are the key delegations to the Managing Director: -

- (a) Day to day management of operations and finances in Malaysia associated with KLE Products Sdn Bhd and VIP Glove Sdn Bhd.
- (b) Appointment and dismissal of staff (except CFO) or varying the remuneration or benefits of an employee.
- (c) Authority to commit the Company to expenditure in accordance with Company approved budget;

The following are the key delegations to the Company Secretary and CFO: -

- (a) Expenditure in accordance with Company approved budget;
- (b) Where the Company Secretary holds a Power of Attorney from the Chairman, all contracts and commitments of expenditure must be sighted and approved by the Chair.
- (c) The Chairman may give the Company Secretary an authority to make operational expenditure in accordance with the Budget and he/she shall amend or withdraw such authority at their discretion.
- (d) Once the Chairman delegates an authority, the Board may revoke the delegation by resolution at a duly constituted meeting of the Board.

The Board may revoke a delegation by resolution at a duly constituted meeting of the Board.

Authority to process payments using the Company's online banking or cheque payment facility is limited to the Chairman and any other director or the Company Secretary jointly. All payments must be properly authorised supported by the appropriate supporting documents and authorised by a minimum of 2 persons.

The CFO provides an annual assurance to the Board that this policy has been adhered to.

Once the Company has established business operations and a corporate structure the Board will prepare and adopt a Delegation Policy and will review the Delegation Policy regularly and at least annually to ensure they remain appropriate to the organisational structure and operations of the Company.

### **1.3. Board Nominations**

The Board has set in place the following factors in reviewing a potential candidate for Board appointment, including without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
- the existing composition of the Board, and the objective of achieving a Board with Directors from a diverse background;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and independence.

In the absence of a Nomination and Remuneration Committee, the Chairman will provide detailed background information in relation to a potential candidate to the Board and appropriate checks will be undertaken prior to appointment or before putting forward to the shareholders for election. The identification of the potential director may be assisted by the use of an external search organisation as appropriate. An offer of a Board appointment must be made by the Chair only after having consulted all directors.

The Company will provide shareholders with any material information in the Company's possession which is relevant to a decision on whether or not to elect or re-elect a director.

#### 1.4. Terms of Appointment – Directors and Senior Management Team

All directors of the Company are required to sign a letter of appointment outlining the material terms of their appointment and the key roles based on their experience and skills. The level of remuneration for Non-Executive Directors primarily reflects the size of the operations of the Company, in addition to the experience, time commitment, level of responsibilities and complexity shouldered. The remuneration of the directors of the Company is outlined in the Remuneration Report in the Company's latest Annual Report.

All members of the Board and Management Team are required to sign a separate non-disclosure agreement to protect the confidential information of the Company.

The Company's constitution requires that no director (who is not the managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected. The Company was incorporated in October 1992 and listed on the ASX in February 1997. Following a period of voluntary suspension, the Company's shares were requested on the ASX in February 2016.

The following is information of the initial appointment and re-election dates of Directors in office at 30 September 2017 (excluding the Managing Director): -

Director's Name	First Appointed	Re-Election Date
Frank Licciardello	18 November 2015	November 2017
Lee Mitchell	31 January 2017	November 2017
KahLing Chang	22 September 2017	November 2017

#### 1.5. The Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfil its role. The Company Secretary is responsible to the Board for ensuring compliance with Board procedures and governance matters and is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Andrew Metcalfe, appointed in May 2009, whose qualifications and experience are stated in the Company's latest Annual Report.

#### 1.6. Diversity

The Company recognises that diversity drives the Company's ability to attract, retain, motivate and develop talent, create an engaged workforce, deliver the highest quality of service to its customers and continue growth for the business.

From May 2007 to January 2016, the Company was dormant and the Board did not adopt a Diversity Policy to address the representation of women in senior management positions and on the Board and to actively facilitate a more diverse and representative management and leadership structure. Following completion of the acquisition of KLE Products Sdn Bhd, Ai Ling Chong was appointed to the Board as its first female representative on the Board. Now that the Company has established business operations the Board continues to review and monitor Diversity issues and continues to ensure the objectives of Diversity are being enforced.

During the reporting period, the Company had one female representative on the Board, being Ms Ai-Ling Chong. Following Ms Chong's resignation in August 2017, as at the date of this statement, the Company currently has one female representative on the Board, being Ms KahLing Chang who was appointed to the Board in September 2017

As at 30<sup>th</sup> June 2017, the proportion of women employees in the Group and the list of women employees in the Senior Executive positions are as follows:

	KLE Products	VIP - Glove
Total Employees of Group	83	83
Women Employees	15	15
Total Senior Executives	14	10
Women Senior Executive	8	3

## 1.7. Performance Review and Evaluation

In the absence of the Nomination & Remuneration Committee, the Board is responsible to assist in relation to the performance evaluation of the Board, its committees and individual Directors and in developing and implementing plans for identifying, assessing and enhancing Director skill's and competency. A performance evaluation was conducted on the Board and the Company Secretary during the Reporting Period. This took place following the resignation of Mr Craig Sanford in January 2017. As a result, Mr Lee Mitchell was appointed as a INED in January 2017 and Mr Frank Licciardello took on a part-time executive function in the Company in June 2017.

## Principle 2 Structure the board to add value

### 2.1. Board of Directors – Composition, Structure and Process

During the Reporting Period, three directors resigned and four directors were appointed in relation to the acquisition of KLE Products Sdn Bhd.

At 30 September 2017, the Company had a Board of 4 Directors comprised: 1 Executive Chairman, 1 independent Non-Executive Director, 1 Non-Executive Director and the Managing Director.

The composition of the Board is as reflected in the table below:

Director's Name	Position
Frank Licciardello	Executive Chairman
Wee Min Chen	Managing Director
Lee Mitchell (appointed January 2017)	Independent Non-Executive Director
KahLing Chang (appointed September 2017)	Non-Executive Director
Ai Ling Chong (resigned August 2017)	Executive Director
Craig Sanford (resigned January 2017)	Independent Non-Executive Director

A profile of the directors as at date of signing the Directors Report, being 20 September 2017, is set out in the Directors Report included in the Company's latest Annual Report.

### 2.2. Nomination & Remuneration Committee

The Company has not formed a Nomination and Remuneration Committee. The functions normally carried out by the Nomination and Remuneration Committee are reserved for the Board.

The key roles of the Board in respect of functions normally carried out by a Nomination & Remuneration Committee are: -

- Develop 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;

- Review and recommend the size and composition of the Board and criteria for membership, including review of Board succession plans and the succession of the Chairman and CEO;
- Review and recommend arrangements for executive directors (including the CEO) and the executives reporting to the CEO;
- Review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- Review and recommend the remuneration arrangements for the Chairman and the non-executive directors of the Board, including fees, travel and other benefits;
- Assists the Board as required in relation to the performance evaluation of the Board, its committees and individual directors;
- Review the senior management performance assessment processes and results;
- Review and approve short term incentive strategy, performance targets and bonus payments, including major changes and developments to the Company's employee equity incentive plans; and
- Review the effectiveness of the Company's Diversity Policy, when adopted.

### 2.3. Skills, Knowledge and Experience

The Board considers the present composition, size and balance in respect of qualifications and experience of the Board to be appropriate and effective for the control and direction of the Group's business. Each director is expected to bring to the Company their experience and skills in the respective fields in particular their considerable industry experience, to add value to the performance of the Company.

The skills of the Board at 30 September 2017, are as follows:

Director background & experience	Director's Name
Accounting & Corporate Finance	Frank Licciardello, KahLing Chang
Capital Markets	Frank Licciardello
Management & Leadership	Frank Licciardello, Wee Min Chen, KahLing Chang, Lee Mitchell
Legal	Lee Mitchell, KahLing Chang
Industry	Wee Min Chen
Sales and Marketing	Wee Min Chen,
Risk, Management and Board Governance	Frank Licciardello, KahLing Chang, Lee Mitchell

### 2.4. Chairman

The Board Chairman is responsible for the leadership, operations and governance of the Board and Board Committees. The Chairman shall also undertake the role as leader in chairing all Board and shareholder's meeting. A profile of the Chairman of the Company, Frank Licciardello, is stated in the Company's latest Annual Report who for the majority of the reporting period was a Non-Executive Director. Mr Licciardello assumed a part-time executive function in June 2017 to assist in driving expansion, organic growth and shareholder value for the Company. The Board believes Mr Licciardello adds significant value given his considerable experience and skills and brings objective and independent judgement to the Board's deliberations, and although he is not considered independent the Board believes this does not pose any governance issues on the operations of the Company.

### 2.5. Executive Directors

Following the acquisition of KLE Products Sdn Bhd, Mr Wee Min Chen was appointed Managing Director of the Company. Mr Chen has considerable manufacturing and marketing industry expertise. Mr Chen was the founder and owner of KLE Products Sdn Bhd and has over 30 years' experience in owning and operating an industrial manufacturing business in Malaysia. Ms Ai Ling Chong was also



appointed to the Board following the acquisition of KLE Products Sdn Bhd. Ms Chong is an experienced marketing executive and provides marketing advice to KLE. KahLing Chang was appointed to the Board due to her legal and capital experience in Malaysia

## 2.6. Non-Executive Directors

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. The Board does not have a majority of Non-Executive Directors. However, the Board as a whole is satisfied that the Non-Executive Directors bring an independent discretion to their deliberations. The Company's Non-Executive Directors are listed in the table in Section 2.1 above. Their qualifications and experience are stated in the Company's latest Annual Report.

## 2.7. Independence

The Board has adopted the following guidelines to assist in considering the independence of directors. In general, a director will be considered independent if they are not member of the management of the Company (a Non-Executive Director) and:

- has not previously been employed in an Executive capacity within the Group, unless a period of at least 3 years has elapsed between ceasing such employment and serving on the Board;
- has not within the last 3 years been a partner, director or senior employee of a provider of material professional services to the Group or another group member;
- have not within the last 3 years been in a material business relationship (e.g. supplier or customer) with the Group, or an officer of or otherwise associated with someone with such a relationship;
- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- has no material contractual relationship with the Company or another group member, other than as a Director of the Company;
- has no close family ties with any person who falls within any of the categories described above; and
- has not been a Director of the Company for such a period that his or her independence may have been compromised.
- is free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

In the case where any of the above interests, positions or relationships exist the Company assesses its materiality to determine whether it might interfere, or reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

The Board does not comprise a majority of independent Directors.

The Board is consistently reminded of the independence requirement and closely adheres to such requirement. Guidelines are made available to the Board to assist in considering the independence of directors including the materiality of any given relationship on a case by case basis. In general, the Board will consider (i) a holding of 5% or more of the Company's shares to be material and (b) an affiliation with business which accounts for more than 5% of the relevant base to be material. Overall, the Board will also consider the quantitative and qualitative assessment.

The Board considers each Non-Executive Director adds significant value given their considerable experience and skills and bring objective and independent judgement to the Board's deliberations.

## **2.8. Induction and Professional Development**

It is a policy of the Board to ensure that Directors and Senior Management of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively and that individual and collective performance is regularly and fairly reviewed.

The Company has a programme for inducting new Directors. This includes providing new Directors a full briefing about the nature of the business, current issues, the corporate strategy and the expectations of the Board concerning the performance of Directors and access to all employees to gain full background on the Company's operations. Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors, at the Company's expense (as approved by the Chairman and or the Board, as appropriate and applicable).

## **2.9. Meetings of the Board**

The Board holds meetings whenever necessary to deal with specific matters requiring attention. Directors' Circulatory Resolutions are utilised where appropriate either in place of or in addition to formal Board meetings. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity, provided that these commitments do not materially interfere with their ability to serve as a Director of the Company.

## **2.10. Conflicts of Interest**

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director or his duties to any other parties and the interests of the Company in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters to which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

## **2.11. Related-Party Transactions**

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act and the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholders' approval for the related party transaction, the Board may not approve the transaction. The Company also discloses related party transactions in its Annual Report as required under the Corporations Act and relevant Accounting Standards.

## **2.12. Share Dealings and Disclosures**

The Company has adopted a Policy for dealing in securities (dated December 2015), which applies to all employees of the Group, herein known as Restricted Persons, and includes directors and employees and contractors, and connected persons of the employees defined as a family member of the employee and a Company or any other entity which the employee has an ability to control. The policy is designed to:

- explain the type of conduct in relation to dealings in the Company's securities that is prohibited under the relevant law and by the Group, including insider trading; and
- establish a procedure for buying, selling or otherwise dealing in the Company's securities (generally and during specified prohibited periods) which requires the Restricted Person who is in possession of "inside" information or has been notified by the Company of such "inside"

information, the prior approval from the Chairman of the Board or the Chairman of the Audit, Business Risk & Compliance Committee or Senior Management, as appropriate. Approval during prohibited periods will only be granted where there are exceptional circumstances which include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the approver.

A copy of the Company's Policy for dealing in securities has been released to ASX and may also be viewed and downloaded from the ASX website and the Company's website [www.voltageip.com.au](http://www.voltageip.com.au).

### **2.13. Independent Professional Advice**

Subject to prior approval by the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as a Director.

### **2.14. Company Information and Confidentiality**

All Directors have right of access to all relevant Company books. In accordance with legal requirements and agreed ethical standards, Directors and employees of the Company have agreed to keep confidential all information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

### **2.15. Directors' and Officer's Deeds**

The Company has entered into a deed of indemnity & access with each of the Directors and the Company Secretary to regulate certain matters between the Company and each officer, both during the time the officer holds office and after the officer ceases to be an officer of the Company for up to seven years.

## **Principle 3 Promote ethical and responsible decision-making**

### **3.1 Code of Conduct**

The Board has set in place a Code of Conduct which outlines how the Company expects its representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards. The Code of Conduct is applicable to all employees of the Company including temporary employees, contractors, consultants, agents and Company directors. It also applies to all business activities with suppliers, contractors, customers, shareholders and employees in Australia and overseas and covers the following obligations: -

- Compliance with laws and regulations
- Integrity in all dealings with customers, shareholders, government, employees, suppliers and community in order to enhance the Company's reputation and performance
- Conflict of interest arising from any personal interest or relationship
- Confidentiality of information that belongs to the Company
- Improper use or theft of Company property, assets and email
- Compliance with the Privacy laws of Australia and other applicable jurisdictions
- Ensuring integrity and exercise highest standard of care in providing information in any public communications and disclosure
- Employment practices including occupational, health and safety, securities trading, anti-bribery conduct
- Contribution to the community, environmental responsibilities and Company's policy on political activities

## **Principle 4 Safeguard integrity in financial reporting**

### **4.1 Audit, Business Risk & Compliance Committee**

The Company has not established an Audit, Business Risk and Compliance Committee as the functions normally carried out by that Committee are reserved for the Board.

The key roles of the Board in respect of functions normally carried out by the Audit, Business Risk and Compliance Committee are based on best practice recommendations.

In order to ensure that the committee is able to discharge the responsibilities effectively, it is intended that between the members of the committee there should be members with accounting and financial expertise and sufficient understanding of the industry. The quorum of the committee is at least 2 members and the committee will meet as often as the committee deem necessary or at least on a quarterly basis. Any Committee member may, and the Company Secretary must upon request from any member, convene a meeting of the Committee. Minutes of the meeting must be taken and kept by the Company Secretary and be available for inspection by any director.

In the absence of an Audit, Business Risk and Compliance Committee, the Board review the appointment, reappointment, replacement and remuneration of the external auditor as well as evaluating its effectiveness and independence on an annual basis. The external auditor will be assessed based on a number of criteria including but not restricted to:

- the overall comprehensiveness of the external audit plan;
- the timeliness and quality of communications promised under the plan and delivered during the audit;
- the competency and industry knowledge of external audit staff; and
- the adequacy of resources to achieve the scope as outlined in the plan.

In assessing the independence of the external auditor, the external auditor is required to provide: -

- a report which sets out all relationships that may affect its independence, including the provision of non-audit services, financial relationships, employment and other relationships and any other matters that may reasonably be thought to have bearing on the external auditor's independence. The report should outline any safeguards that the external auditor has in place to reduce any threat to independence to an acceptable level.
- a declaration on a half yearly and annually basis, testifying to its independence in respect of the financial period in question. Further, the external auditor will have continuing obligation to notify the committee, via Company Secretary, of any new information it believes may be material to reviewing independence.

The external audit engagement partner is required to rotate at least once every 5 years.

The Audit, Business Risk & Compliance Committee Charter may be viewed and downloaded from the Company's website.

### **4.2 CEO and CFO Declarations**

The Company has a Managing Director and Chief Financial Officer (CFO). The Board has determined that the CEO and CFO are the appropriate persons to make the declaration as required under section 295A of the Corporations Act and as per the ASX Recommendations.

These declarations state that, in their respective opinions, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board receives, prior to their approval of the Company's financial statements for a financial period (i.e. the half year and full year reports), written assurances from the CEO and CFO.

#### 4.3. External Auditor

The Company's external auditor (Auditor) is selected for its professional competence, reputation and the provision of value for professional fees. Within the audit firm, the partner responsible for the conduct of the Company's audits is rotated every 5 years. The external Auditor attends the Company's AGMs (in person or by teleconference) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

### **Principle 5 – Make Timely and Balanced Disclosure**

#### 5.1. Continuous Disclosure to ASX

In accordance with the Corporations Act and ASX Listing Rule 3.1, the Company immediately notifies ASX of information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities, subject to exceptions permitted by that rule. A reasonable person is taken to expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

The Board has nominated the Company Secretary as the person with the primary responsibility for all communication with the ASX in relation to listing rule matters. The Board is responsible for compliance with the Company's continuous disclosure obligations.

If management becomes aware of any information at any time that should be considered for release to the market, it must be reported immediately to a member of the Board. Only material information requires disclosure and the Board will determine the materiality of such information in accordance with the guidelines and requirements of the ASX.

In general, the Company will not respond to market speculation or rumours unless required to do so by law or by the ASX Listing Rules.

The Company may request a trading halt from ASX to maintain fair, orderly and informed trading in its securities and to manage disclosure issues. The Chairman or Company Secretary are authorised to call a trading halt and will alert and keep the Board informed of any request for a trading halt.

The Company's Continuous Disclosure Policy may be viewed and downloaded from the Company's website.

### **Principle 6 Respect the rights of shareholders**

#### 6.1 Market and Shareholder Communications

The Company aims to ensure that shareholders are kept informed of all major developments affecting the state of affairs of the Company. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time. The Company also has in place an investor relations program to facilitate communication with investors.

One of the Company's key communication tools is its website located at [www.voltageip.com.au](http://www.voltageip.com.au) where all up-to-date important information about the Company is published.

Information is communicated to shareholders and other stakeholders regularly through a range of forums and publications, including the following:

- Notice of meetings and explanatory material are available on the Company's website. The Company encourages shareholders to provide email addresses so that notices of meetings and explanatory material can be sent to shareholders via email;
- The Company encourage full participation of shareholders at its AGM each year. For those shareholders who are unable to attend in person, the Company provides full transcript of the

Chairman's speech on its website. Shareholders are encouraged to lodge direct votes or proxies electronically.

- The Company's annual report is available on the Company's website and contains important information about the Company's activities and results for the previous financial year. Shareholders can elect to receive the Company's annual report on concise report as an electronic copy or in hard copy through mail.
- All ASX announcements including annual and half yearly financial results, are posted on the Company's website as soon as they have been released by ASX. The Company's reports and ASX announcements may also be viewed and downloaded the ASX website: [www.asx.com.au](http://www.asx.com.au) under ASX code "VIP".
- Copies of all media releases made by the Company are posted on the Company's website.
- Copies of all investor presentations made to analysts and media briefing are posted on the Company's website, and where appropriate the Company uses webcasting or teleconferencing of these presentations and briefings.
- Company provides a telephone and facsimile helpline facility to assist shareholders with any queries on investor relations.

The ownership and shareholder information are available on the Company's website and also on the Company's share registry (Boardroom Limited) at <https://www.investorserve.com.au/>

## 6.2. Shareholders' Meetings

Shareholders have the ability to communicate with Directors through various means including:

- having the opportunity to ask questions of Directors at all general meetings;
- the presence of the Auditor at the AGM (in person or by teleconference, as practicable and appropriate) to take shareholder questions on any issue relevant to their capacity as Auditor;
- the Company's policy of expecting Directors to be available to meet shareholders at the AGM; and
- the Company making Directors and selected Senior Executives available to answer shareholder questions submitted by telephone, email and other means (where appropriate).

Traditionally, the key forum for two-way communication between the Company and its shareholders is its AGM. The Board encourages shareholder participation at the Company's AGM and other general meetings of shareholders and the Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate. Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company and or to the Auditor (in the case of the AGM).

## **Principle 7 – Recognise and Manage Risk**

### 7.1. Risk Committee

The Board does not have a stand-alone Risk Committee. In the absence of the Audit, Business Risk & Compliance Committee (refer Section 4.1 for further details) the Board undertakes the important risk management and compliance function, with key responsibilities being to ensure that an appropriate risk management framework is in place and is operating properly and reviewing and monitoring legal and policy compliance systems and issues, in accordance with the Audit, Business Risk & Compliance Committee Charter that may be viewed and downloaded from the Company's website.

During the Reporting Period, the Board did not review the Company's risk management framework. This review is proposed to be undertaken in calendar year 2017 so that the Board can satisfy itself that the Company's risk management framework continues to be sound.



## 7.2. Internal Control and Risk Management

The Audit, Business Risk & Compliance Committee has the responsibility to oversee the internal control framework (which includes risk management) and manage the Company's process and policies of identification and management of risks that have the potential to impact significantly on operations, financial performance or reputation.

The Board recognises that no cost-effective internal control system will preclude all errors and irregularities from occurring. The system is based, in part, on the appointment of suitably-qualified and experienced service providers and suitably-qualified and experienced management personnel. The effectiveness of the system is monitored and continually reviewed by management on an on-going basis and at least annually by the Board. On a day-to-day basis, managing the various risks inherent in the Company's operations is the responsibility of the Chairman and Managing Director in conjunction with the CFO. Risks facing the Company can be divided into the broad categories of operations, compliance and market risks.

Operations risk refers to risks arising from day-to-day operational activities which may result in direct or indirect loss from inadequate or failed internal processes, decision-making, exercise of judgment, people or systems or external events. The Managing Director and CFO have delegated responsibility from the Board for identification of operations risks generally, for putting processes in place to mitigate them and monitoring compliance with those processes.

Compliance risk is the risk of failure to comply with all applicable legal and regulatory requirements and industry standards and the corresponding impact on the Company's business, reputation and financial condition. The Company's compliance risk management strategy ensures compliance with key legislation affecting the Company's activities. The Company's compliance strategy is kept current with advice from senior external professionals and the ongoing training of executives and other senior personnel involved in compliance management. The Company Secretary has oversight responsibility for managing the Company's compliance risk.

The Company has policies on responsible business practices and ethical behaviour, including conflict of interest and share trading policies, to maintain confidence in the Company's integrity and ensure legal compliance.

The material economic risks to which the Company is exposed principally consist of market risks. Market risk encompasses risks to the Company's performance from changes in equity prices, interest rates, currency exchange rates, capital markets and economic conditions generally. The Board retains final responsibility to assess the Company's exposure to these risks and set the strategic direction for managing them. Further details are in the Financial Risk Management note to the financial statements in the Company's latest Annual Report.

The Company's approach to risk management is not stationary; it evolves constantly in response to developments in operations and changing market conditions.

Management has reported to the Board as to the effectiveness of the Company's management of its material business risks in respect of the Company's latest financial year.

## 7.3. Internal Audit

The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.

The Board, in the absence of the Audit, Business Risk & Compliance Committee, performs all key elements of an internal audit function, including:

- Evaluating the adequacy and effectiveness of the management reporting and control systems used to monitor adherence to policies and guidelines and limits approved by the Board for management of balance sheet risks.



- Evaluating the adequacy and effectiveness of the Group's financial and operational risk management control systems by reviewing risk registers and reports from management and external auditors.
- Evaluating the structure and adequacy of the Group's Business Continuity Plans.
- Evaluating the structure and adequacy of the Group's own insurances on an annual basis.
- Reviewing and making recommendations on the strategic direction, objectives and effectiveness of the Group's financial and operational risk management policies.
- Overseeing the establishment and maintenance of processes to ensure that there is:
  - an adequate system of internal control, management of business risks and safeguard of assets;
  - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control; and
  - a review, at least annually, of the Company's risk management framework.
- Evaluating the Group's exposure to fraud and overseeing investigations of allegations of fraud or malfeasance.
- Reviewing the Group's main corporate governance practices for completeness and accuracy.
- Review of procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential impact on the Company in areas such as trade practices, occupational health and safety, and the environment).
- Evaluate any material exposure the Company has to economic, environmental and social sustainability risks and, if necessary, consider management of those risks.
- Reviewing the procedures in place to ensure compliance with insider trading laws, continuous disclosure requirements and other best practice corporate governance processes (including requirements under the ASX Listing Rules, Corporations Act and international financial reporting standards); and
- Advising the Board on the appropriateness of significant policies and procedures relating to financial processes and disclosures and reviewing the effectiveness of the Company's internal control framework.

## **Principle 8 – Remunerate Fairly and Responsibly**

### **8.1. Nomination & Remuneration Committee**

In the absence of a Nomination & Remuneration Committee, the Board is responsible for managing this function.

Please refer to section 2.2 on the information on the Nomination & Remuneration Committee.

### **8.2. Remuneration Policy**

The Company is currently in the process of establishing incentive arrangements to enable attraction, motivation and retention of management and employees of the Company. For executive team, the remuneration consists of fixed remuneration only, with cash-based short term incentive; and LTIP strategies to be introduced as appropriate. Both the cash-based short term incentive and equity based LTIP will be subject to achievement of performance criteria or hurdles set and assessed by the Board.

The Board reviews the remuneration packages for the executive team, which are reviewed annually. External advice may be sought to determine the appropriate level and structure of the remuneration packages from time to time, as required.

### **8.3. Equity Based Remuneration Scheme**

The Company has yet to establish an equity incentive plan ("Long Term Incentive Plan" (LTIP)). Once in place the LTIP will facilitate remuneration arrangements for Voltage IP's Senior Management and enhance the alignment of their interests with those of shareholders.