

CORPORATE GOVERNANCE STATEMENT

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of JCurve Solutions Limited (**JCurve**). The Board supports a system of corporate governance to ensure that the management of JCurve is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition) ("Corporate Governance Recommendations") where considered appropriate for a company of JCurve's size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Security Trading, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Company's corporate governance practises are summarised below and copies of Company's corporate governance policies are available on the Company's web site at <http://www.jcurvesolutions.com/corporate-governance/>.

All Corporate Governance Recommendations have been applied for the year ended 30 June 2016 unless set out below.

Board Charter

The Board considers that the essential responsibilities of the Directors are to oversee JCurve's activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value.

The Board has established a charter, which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The key responsibilities of the Board include:

- Establishing the goals (short, medium and long term) and strategy for the Company;
- Approving the annual strategic plan and major operating plans;
- Approving the annual operating budget;
- Reviewing and providing feedback on the performance of the Chief Executive Officer if appointed;
- Reviewing the performance of the Board, the individual directors and any Board committees;
- Reviewing and approving the full-year financial statements and directors' report; and
- Approving the annual report and notice of annual general meeting.

Board composition

The composition of the Board shall be determined in accordance with the following principles and guidelines:

- The Board shall comprise at least 3 Directors, increasing where additional expertise is considered desirable in certain areas;
- The Chairman should be an independent non-executive;
- The Board should comprise a majority of independent non-executive Directors; and
- Directors should bring characteristics which allow a mix of qualifications, skills and experience.

Under the Constitution the Chairman has a casting vote in the case of an equality of votes.

Up until 17 November 2015, the board was comprised of four directors, with 50% independent and 50% non-independent composition. Where the Chairman is an independent Chair in those circumstances, the 50% independent directors have a majority vote with the Chairman's casting vote. The adherence to the Corporate Governance Recommendations in terms of the board composition is noted below:

- Between 1 July 2015 and 17 November 2015, the recommendation was followed when allowing for the Chairman's casting vote; and
- From 18 November 2015 to date, the recommendation was followed.

The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

CORPORATE GOVERNANCE STATEMENT (continued)

Board Charter (continued)

In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.

The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them. Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.

The Board has established procedures for the selection and appointment of new Directors to the Board in line with the requirements of the Board Charter to ensure there is a formal and transparent procedure that promotes confidence and understanding in the process.

The Company Secretary is accountable to the Board, through the Chairman, on corporate governance matters pertaining to the company secretarial role. All Directors have access to the Company Secretary.

A copy of the Board Charter can be found on the Company's website.

Director Independence

A Director is only to be regarded as independent if the Director is independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of the Director's unfettered and independent judgement.

In considering whether a Director is independent, the Board considers guidance on independence set out in Corporate Governance Recommendation 2.3 (Box 2.3), and other facts, information and circumstances that the Board considers material.

The Board assesses the independence of each director in light of interests disclosed by them.

The assessment of whether a Director is considered independent (both from the perspective of the Company and the Director) is based on the following materiality thresholds:

- payments made by the Company to the Director or any of his associated entities for the provision of goods and/or services does not exceed 10% of the annual gross expenditure of the Company; or
- payments received by the Director for the provision of goods and/or services to the Company does not exceed 25% of the annual income or business turnover of the Director or his associated entities.

Having regard to the criteria impacting independence as outlined in Corporate Governance Recommendation 2.3 and the above materiality thresholds the following directors are considered to be independent from 1 July 2015: Mr Bruce Hatchman (appointed 27 November 2014) and Mr David Franks (appointed 15 September 2014).

Mr Graham Baillie (resigned as did not seek re-election on 17 November 2015) is not considered independent as he is a past executive director and a substantial shareholder. Mr Mark Jobling (appointed 8 April 2015) is not considered independent as he is a substantial shareholder.

Performance Evaluation Procedures

The Board has established formal processes to review its own performance and the performance of individual directors, the committees of the Board and key executives, as necessary.

As part of the review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive directors is considered with regard to practices of other public companies, external professional advice (if considered necessary) and the aggregate amount of fees approved by shareholders and otherwise in accordance with the remuneration policies established by the Board.

Other issues examined in the review include the Board's interaction with management, the type of information provided to the Board by management and management performance in helping the Board meet its objectives.

During the year, ongoing performance evaluations for the Board, Committees and Directors took place in accordance with the process disclosed.

CORPORATE GOVERNANCE STATEMENT (continued)

Performance Evaluation Procedures (continued)

The Chief Executive Officer is responsible for evaluating the performance of senior executives against performance indicators established for senior management. The Board is responsible for evaluating the performance of the Chief Executive Officer against set strategic, operational, financial, human resource related and risk management criteria.

The Chief Executive Officer's performance is evaluated by the Board on an ongoing basis in accordance with the process disclosed above.

Corporate Code of Conduct

A formal code of conduct for the Company applies to all directors and employees. The purpose of this Code of Conduct is to provide a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The code sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

The Directors, managers and employees are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics and strive at all times to enhance the good reputation and performance of the Group by acting in the best interests of the Group, being responsible and accountable for their actions and observing the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

The Company has developed an extensive code of conduct which is encapsulated in the corporate governance policies and the Company's terms and conditions of employment. Conduct guidelines apply to all employees which address the values and vision of the Company, business ethics and protocol, policies and procedures, employee entitlements, responsibilities and expectations of both the Group and employees and compliance with relevant legal, shareholder and stakeholder obligations.

All employees have position descriptions that reinforce their duties, rights and responsibilities and all are required to participate in performance reviews to ensure the Company expectation is aligned with employee goals and key performance indicators. Actual performance is reviewed annually and, if necessary, more frequently. The Company encourages regular feedback, review and continuous improvement so as to maintain and enhance the desired corporate culture and standard of ethical behaviour

A copy of the Code of Conduct is available on the Company's website

Policy for Trading In Company Securities

Trading in the Company's securities by directors and employees is not permitted when they are in possession of unpublished price sensitive information. Any transactions undertaken must be notified to the Chairman in advance for approval before dealing in the Company's securities.

Directors, officers and employees must not buy, sell or subscribe for securities if they are in possession of 'inside information' (information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities). The Corporations Act 2001 provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

Subject to the insider trading restrictions above, it is the Board's policy that Directors, officers and employees will not trade in the securities during the period of preparation of the quarterly (if applicable), half yearly and annual financial results for release to ASX; the period of preparation of a disclosure document offering securities in the Company for release to ASX; and whilst in negotiations in respect to material acquisitions.

The Board's policy also reinforces the Directors' and Company's statutory obligations to notify the ASX of any dealing in the securities which results in a change in the relevant interests of a Director in the securities. As contemplated in the ASX listing rules, each Director provides notice of such dealings to the Company Secretary within three business days of any such dealing to enable the Company to comply with its corresponding obligation to notify the ASX

Any employees participating in equity-based remuneration schemes are prohibited from entering into transactions in associated products which limit the economic risk of their unvested entitlements (as outlined in the Company's Share Trading Policy).

CORPORATE GOVERNANCE STATEMENT (continued)

Policy for Trading In Company Securities (continued)

A copy of the Security Trading Policy can be found on the Company's website.

Audit Committee

The Board has established a separate Audit Committee to advise and support the Board in carrying out its duties. Matters determined by the Audit Committee are submitted to the full Board as recommendations for Board consideration.

For the full year, the composition of the committee has comprised three members, all non-executive directors, majority of whom are independent and an independent Chairman who is not the Chairman of the Board.

1 July 2015
David Franks (Chair)
Bruce Hatchman
Mark Jobling

Details of the qualifications of committee members and attendance at committee meetings are set out in the Directors' Report in each year's Annual report.

The audit committee operates in accordance with a written charter. The audit committee oversees risk management, accounting and reporting practices, and is also responsible for:

- co-ordination and appraisal of the quality of the audits conducted by the Company's external auditor;
- determination of the independence and effectiveness of the external auditor;
- assessment of whether non-audit services have the potential to impair the independence of the external auditor;
- reviewing the adequacy of the reporting and accounting controls of the Company;
- review the effectiveness of the compliance function in general; and
- assessment of financial risks arising from the Company's operations and considering the adequacy of measures taken to moderate those risks.

The Company requires the periodic rotation of the audit partner in accordance with the *Corporations Act 2001*.

A representative of the external auditor attends, or is online by phone, each Annual General Meeting to answer any questions concerning the audit of the Group and the contents of the Auditor's Report.

Under the Charter of the Audit Committee, the Committee reviews and considers the need for an internal audit function, how the function should be structured and what role it performs. Where there is an internal audit function, it reviews and recommends the appointment or removal of the head of internal audit, the scope and adequacy of the internal audit work plan and the objectivity and performance of the internal audit function.

The Audit Committee and the Board has determined not to have an internal audit function due to the current size of the Company and its operations, although this is reviewed by the Committee.

The Company's external auditors perform a half year review and full year audit as required under the *Corporations Act 2001*. The Audit Committee have regular meetings and contact with the external auditors during the year and for the review and audits.

The Company adheres to its Risk Management Policy and Procedures, including management of its risk management and internal control processes.

A copy of the Audit Committee Charter can be found on the Company's website.

The Chief Executive Officer and Chief Financial Officer provide assurance to the Board that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks. In addition, reporting of the management of the Company's material business risks forms part of routine management reporting to the Board and review by the audit committee.

The Board has received such confirmation from the Chief Executive Officer and Chief Financial Officer in respect of this financial year.

CORPORATE GOVERNANCE STATEMENT (continued)

Continuous Disclosure and Shareholder Communication

The Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. The Board has also adopted a formal written policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings.

The Chairman, Chief Executive Officer and the Company Secretary have been nominated as the Company's primary disclosure officers. All information released to the ASX is posted on the Company's web-site immediately after it is disclosed to the ASX. When analysts are briefed on aspects on the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's web-site prior to the briefing.

JCurve is committed to providing shareholders and stakeholders with extensive, transparent, accessible and timely communications on the Company's activities, strategy and performance. In addition, the Company makes all market announcements, media briefings, details of shareholders meetings, press releases and financial reports available on the Company's website <http://www.jcurve.com.au/about/investors/>

The Company encourages shareholder participation at general meetings. Shareholders who are unable to attend general meetings are encouraged to lodge proxy appointments in advance of the meetings.

Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website, and may electronically lodge proxy instructions for items to be considered at general meetings.

A copy of the Shareholder Communications Strategy and Continuous Disclosure Policy can be found on the Company's website.

Risk Management

The Company recognises the need to pro-actively manage the risks and opportunities associated with both day-to-day operations of the organisation and its longer term strategic objectives and has developed a risk management policy. The risk management policy outlines the roles and responsibilities of the Board and management in respect to risk oversight and management and the Company's process of risk management and internal compliance and controls.

The Board is responsible for the establishment, oversight and approval of the Company's risk management strategy, internal compliance and controls. The Board is also responsible for defining the "risk appetite" of the Company so that the strategic direction of the Company can be aligned with its risk management policy.

The Company has the following risk management controls embedded in the company's management and reporting system:

- a comprehensive annual insurance program;
- strategic and operational business plans; and
- annual budgeting and monthly reporting systems which enable the monitoring of performance against expected targets and the evaluation of trends.

The Chief Executive Officer reports to the Board on a periodic basis as to whether all identified material risks are being managed effectively across the Company.

During the year, ongoing monitoring, mitigating and reporting on material risks by senior executives, the Audit and Risk Committee and the Board took place in accordance with the process disclosed above.

A copy of the Risk Management Policy can be found on the Company's website.

The Company also has in place a Health and Safety Policy and Environmental Policy.

A copy of the Health and Safety Policy is available on the Company's website.

Remuneration and Nomination

The Board has established a Remuneration and Nomination Committee Charter which outlines the overall strategies in respect to director and executive remuneration and the processes surrounding new Board appointments to ensure an appropriate mix of skills and experience to properly fulfil its responsibilities. In relation to the nomination and appointment of new directors:

- The Company has in place an external supplier to undertake appropriate checks on any potential director appointments;

CORPORATE GOVERNANCE STATEMENT (continued)**Remuneration and Nomination (continued)**

- Under the Company's Constitution, all directors appointed throughout the year as an additional director or to fill a casual vacancy hold office to the AGM. Current directors hold office and are required to be considered by Shareholders for re-election under the Listing Rules;
- All directors, whether appointed throughout the year as an additional director or to fill a casual vacancy or who are due for election under the Listing Rules, are disclosed in the Notice of AGM, with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director; and
- On appointment, directors are provided with a formal letter of appointment and executive management with written employment agreements incorporating job descriptions (where relevant).

As outlined below, given the current structure of the Board, the role of the Nomination Committee is undertaken by the full Board. This Nomination Committee composition, has complied with the Corporate Governance Recommendations for the full year as outlined in the Board Composition section above.

The Board implements an induction program for new directors which involves a detailed briefing in regards to their role as a Director of the Company and the business of the Company. The Board is continually informed by Senior Management of key developments in the Company's business and the industry in which the Company operates.

The Board recognises that there are occasions when directors believe that it is in their best interest and the interest of the Company to seek independent professional advice. Following consultation with the Chairman, directors can seek independent professional advice at the Company's expense, in fulfilling their duties.

During the year, the Board assessed its mix of skills and diversity through implementation of a board skills matrix. This assessment was updated as required throughout the year. The Board achieved its assessed skills rating for all criteria, being for skills in Financial/Audit, Legal/Governance, Investor Relations, Risk Management and Compliance, Human Resources/Remuneration, IT/Technology, Marketing/Social Media, Strategic Planning, Government Affairs, Policy Development, Executive Management, International Experience, Listed Company Director Experience, Accounting Industry Experience, TEMS Industry Experience, Software Development Experience, Software Management Experience and Project Management Experience.

Details of the Directors' skills, experience, length of service, expertise and attendance at meetings are set out in the Directors' Report in each year's Annual Report.

The role of the Remuneration Committee includes reviewing and providing recommendations in respect to:

- remuneration packages of key executives and directors;
- incentive policies, incentive plans and other employee benefit programs;
- recruitment, retention and termination policies;
- procedures for senior management;
- superannuation arrangements;
- succession plans of key executives (other than executive directors) and ensuring the performance of key executives is reviewed at least annually;
- those aspects of the Company's remuneration policies and packages, including equity-based incentives, which would be subject to shareholder approval; and
- nominations for potential director candidates.

This Remuneration Committee composition did not comply with the Corporate Governance Recommendations from 1 July 2015 to 17 November 2015. From 18 November 2015, it has complied with the composition of the committee comprising three members, all non-executive directors, majority of whom are independent and an independent Chairman.

1 July 2015
Bruce Hatchman (Chair)
Graham Baillie
Mark Jobling

17 November 2015
Bruce Hatchman (Chair)
David Franks
Mark Jobling

In line with Corporate Governance Recommendations the Company distinguishes between the remuneration of non-executive directors and senior executives. When determining non-executive director remuneration the Board will take into account recommendations that:

CORPORATE GOVERNANCE STATEMENT (continued)**Remuneration and Nomination (continued)**

- Non-executive directors should normally be remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity. They should not normally participate in schemes designed for the remuneration of executives;
- Non-executive directors should not receive options or bonus payments; and
- Non-executive directors should not be provided with retirement benefits other than superannuation.

The Board will consider the current circumstances of the Company and whether equity participation by way of the grant of options or other equity scheme to members of the Board is appropriate having regard to the services provided by the non-executive director.

JCurve's current remuneration practices are set to enable the company to attract and retain highly talented and motivated directors, executive management, and employees. The Remuneration Report details and discloses the annual remuneration for key management personnel and fees paid to non-executive directors. Non-executive directors are paid their fees in cash, including statutory superannuation contributions. They do not receive any bonus payments nor are they entitled to any payment upon retirement or resignation.

A copy of the Remuneration Committee Charter can be found on the Company's website.

Diversity

Recommendation 1.5 states that companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people.

Under the Company's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation.

Previously to 30 June 2015, the Board did not consider that it was appropriate to specifically adopt a policy specifically addressing diversity, but would consider adopting a policy as the company increases in size. On 30 June 2015, the board implemented a diversity policy.

A copy of the Diversity Policy is available on the Company's website.

As at 30 June 2016 and 30 June 2015, the Company had the following number of women employed at the following levels:

Description	No. of Women 2016	Proportion of Women 2016	No. of Women 2015	Proportion of Women 2015
Whole Group	14	32%	17	34%
Management positions	3	23%	3	43%
Board members	0	0%	0	0%

The Company does not presently have set targets for the representation of women employees in senior executive positions and on the Board. However, the Board will seek to promote and increase diversity within the organisation as positions of employment and appropriately skilled candidates become available.

The Company defines 'senior executive' or 'management positions' as those persons who have the responsibility for planning and directing their business division's operations.

Corporate Governance Compliance Schedule

The table below identifies the ASX Corporate Governance Principles and Recommendations (**Principles**) and whether or not the Company has complied with the recommendations during the reporting period:

	Recommendation	Complied	Note
	Principle 1: Lay solid foundations for management and oversight		
1.1	Companies 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	✓	
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.	✓	
1.3	A listed entity should have written agreements with each director and senior executive setting out the terms of their appointment.	✓	
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.	✓	
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the Board or relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined 'senior executive' for these purposes); or (2) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators' as defined in and published under the Act.	✓	
1.6	A listed entity should: (a) have and disclose a process for 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.	✓	
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior management; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	✓	
	Principle 2: Structure the Board to add value		
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:	✓ To 17 November 2015, compliant with independent	Note 1

	Recommendation	Complied	Note
	<p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the process it employees 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>Chair casting vote. After 18 November 2015, compliant.</p>	
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	✓	
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in the governance principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	✓	
2.4	<p>A majority of the Board should be independent Directors</p>	<p>✓</p> <p>To 17 November 2015, compliant with independent Chair casting vote. After 18 November 2015, compliant.</p>	Note 1
2.5	<p>The Chair of the board should be an independent Director and in particular, should not be the same person as the CEO of the entity.</p>	✓	
2.6	<p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	✓	
Principle 3: Act ethically and responsibly			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose the code or a summary of it.</p>	✓	
Principle 4: Safeguard integrity in corporate reporting			
4.1	<p>The Board of a listed entity should:</p> <p>(a) have an Audit Committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director who is not the chair of the board; 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>	✓	

	Recommendation	Complied	Note
	<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; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the process 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>		
4.2	<p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	✓	
4.3	<p>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>	✓	
	<p>Principle 5: Make timely and balanced disclosure</p>		
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>Principle 6: Respect the rights of security holders</p>		
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website</p>	✓	
6.2	<p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	✓	
6.3	<p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	✓	
6.4	<p>A listed entity should give security holders the option to receive communications form, and send communications to, the entity and its security register, electronically.</p>	✓	
	<p>Principle 7: Recognise and manage risk</p>		
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; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a), disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	✓	
7.2	<p>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 have taken place</p>	✓	
7.3	<p>A listed entity should disclose</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p>	✓	

	Recommendation	Complied	Note
	(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.		
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.	✓	
	Principle 8: Remunerate fairly and responsibly		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</p> <p>or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the process it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>✗</p> <p>From 18 November 2015 compliant</p>	Note 2
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 senior executives	✓	
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	✓	

CORPORATE GOVERNANCE STATEMENT (continued)

Corporate Governance Compliance Schedule (continued)

Note 1: Recommendation 2.4 – A majority of the board should be independent directors.

The following directors are considered to be independent from 1 July 2015: Mr Bruce Hatchman (appointed 27 November 2014) and Mr David Franks (appointed 15 September 2014).

Mr Graham Baillie (resigned as did not seek re-election on 17 November 2015) is not considered independent as he is a past executive director and a substantial shareholder. Mr Mark Jobling (appointed 8 April 2015) is not considered independent as he is a substantial shareholder.

Under the Constitution the Chairman has a casting vote in the case of an equality of votes.

Up until 17 November 2015, the board was comprised of four directors, with 50% independent and 50% non-independent composition. Where the Chairman is an independent Chair in those circumstances, the 50% independent directors have a majority vote with the Chairman's casting vote. The adherence to the Corporate Governance Recommendations in terms of the board composition is noted below:

- Between 1 July 2015 and 17 November 2015, the recommendation was followed when allowing for the Chairman's casting vote; and
- From 18 November 2015 to date, the recommendation was followed.

Note 2: Recommendation 8.1 – Remuneration Committee

Recommendation 8.1 of the Principles states that the board should establish a remuneration committee that should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

This Remuneration Committee composition did not comply with the Corporate Governance Recommendations from 1 July 2015 to 17 November 2015. From 18 November 2015, it has complied with the composition of the committee comprising three members, all non-executive directors, majority of whom are independent and an independent Chairman.

1 July 2015
Bruce Hatchman (Chair)
Graham Baillie
Mark Jobling

17 November 2015
Bruce Hatchman (Chair)
David Franks
Mark Jobling