

MOBECOM LIMITED (ACN 125 688 940)

(‘Company’)

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Mobecom Limited and its controlled entities (“Mobecom” and/or “the Company”) is committed to achieving the best practice in corporate governance commensurate with the Company’s size, its operations and the industry within which it operates.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company’s corporate governance practices.

This Corporate Governance Statement summarises the corporate governance practices adopted by the Board of Directors and the Company’s compliance with the Corporate Governance Principles and Recommendations 3rd Edition (Recommendations) during the reporting period ended 30 June 2018.

The Principles and Recommendations are not mandatory. However, the Company is required to provide an annual statement disclosing the extent to which the Company has followed the Principles and Recommendations during the reporting period; identify the recommendations that have not been followed; and provide reasons for any variance. If a recommendation has been followed for only part of a year, the entity must state the period during which it has been followed.

Mobecom’s Corporate Governance Plan containing policies and charters is available on the Company’s website at <http://www.mobecom.co>. and are listed below:

Charters

Board Charter

Audit and Risk Committee Charter

Remuneration and Nomination Committee Charter

Policies

Disclosure and Communication Policy

Risk Management Statement

Security Trading Policy

Code of Conduct

Privacy Policy

PRINCIPLE and RECOMMENDATION	REQUIREMENT	COMPLY	EXPLANATION
PRINCIPLE 1	<i>Lay solid foundations for management and oversight</i>		
Recommendation 1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>The Company has adopted a Board Charter which sets out the specific roles and responsibilities of the Board, the Chair and the Company secretary and management. The Board Charter includes a description of those matters expressly reserved to the Board and delegated to the Board Committees, with tasks not expressly reserved for the Board being delegable by the Board to management</p> <p>The Board Charter sets out the membership and operation of the Board, requirements as to Board composition, delegation and establishment of Board Committees, the process of selection and appointment of directors, the roles and responsibilities of the Chairman and Company Secretary, requirements for advising on conflicts of interest and details regarding the Board's interaction with the Company.</p> <p>A copy of the Company's Board Charter is available on the Company's website.</p>
Recommendation 1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>(a) The Company's Remuneration and Nomination Committee Charter requires the Nomination Committee to undertake appropriate checks before putting forward a candidate for appointment or election as a director.</p> <p>(b) The Company's Remuneration and Nomination Committee Charter requires the Committee to provide shareholders with all material information in its possession relevant to a decision whether or not to elect or re-elect a director.</p> <p>Information on directors standing for election or re-election is provided to Shareholders in the Notice of Meeting and includes biographical details as well as their relevant qualifications and experience and the skills they bring to the board; and details of any other material directorships currently held by the candidate.</p>
Recommendation 1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has written agreements with each of its Directors and senior executives setting out the terms of their appointment.
Recommendation 1.4	The Company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board through the Chairman on all matters relating to the proper functioning of the Board.

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Recommendation 1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	No	<p>The Company has not been in compliance with this recommendation as the Board is comfortable that the Company already has an appropriate approach to encouraging workplace diversity.</p> <p>The workforce of the Company and its controlled entities are made up of individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is recognised, respected and valued by the Company. While the Company is committed to gender diversity in its workplace, the Board believes that the Company is not yet of a size where it is appropriate to implement a Diversity Policy or to implement measurable objectives for achieving gender diversity.</p>
Recommendation 1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>(a) The Remuneration and Nomination Committee Charter has and discloses the process for periodically evaluating the performance of the board, its committees and individual directors. Performance reviews are carried out by the Remuneration and Nomination Committee.</p>
Recommendation 1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	No	<p>(a) The Board Charter has and discloses the process for periodically evaluating the performance of senior executives, which the Board is responsible for.</p> <p>(b) No evaluations have been undertaken during the reporting period. The Company expects to undertake the next evaluation performance in the December 2018 quarter.</p>

PRINCIPLE and RECOMMENDATION	REQUIREMENT	COMPLY	EXPLANATION
PRINCIPLE 2	Structure the board to add value:		
Recommendation 2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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. 	Yes, since 10 Jan 2018	On 10 January 2018, the Board established a Remuneration and Nomination Committee comprised of three members: Todd Ruppert, David Fisher and Rod Walker (Committee Chairman) all being independent. However, there were no meetings held by this Committee during the reporting period. The full Board carried out the role of the Remuneration and Nomination Committee in accordance with the principles as set out in the Remuneration and Nomination Charter which is available on the Company's website.
Recommendation 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.	No	The Remuneration and Nomination Committee Charter does not include a skills matrix. However, the full Board shall undertake an annual review of its size and composition to ensure an appropriate mix of expertise and experience. Where a vacancy exists for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience.
Recommendation 2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Recommendations 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>	Yes	<p>During the period from 11 October 2017 to 30 June 2018, the Board comprised of four Directors of which three non-executive directors, Rod Walker, David Fisher and Todd Ruppert, satisfy the test of independence as defined in the ASX guidelines.</p> <p>During the period from 1 July 2017 to 11 October 2017, the Board comprised of three Directors of which two non-executive directors, Neil Herbert and Mandeep Bhandari were independent Directors. Sir Warwick Andrew served as Non-Executive Chairman. He was appointed to the Board on 16 September 2015 as Non-Executive Chairman. Although a non-executive director of the</p>

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	(c) the length of service of each director.		<p>Company, the Chairman did not satisfy the test of independence as he was a substantial shareholder of the Company. Whilst the Board recognises the importance of independence in decision-making, the Board believes that Sir Warwick Andrew's distinguished career in the law serving as a Judge in New South Wales, Papua New Guinea and the Kingdom of Tonga over the last 25 years and commitment to the Company made him the most appropriate person for the position.</p> <p>Rod Walker, Neil Joseph, David Fisher and Todd Ruppert, were appointed to the Board on 11 October 2017.</p> <p>Neil Herbert (appointed 24 February 2015) Mandeep Bhandari (appointed 26 March 2015) and Sir Warwick Andrew (appointed 16 September 2015) served on the Board until 11 October 2017.</p>
Recommendation 2.4	A majority of the board of a listed entity should be independent directors.	Yes	<p>During the period from 11 October 2017 to 30 June 2018, the Board comprised of four Directors of which three non-executive directors, Rod Walker, David Fisher and Todd Ruppert, satisfy the test of independence as defined in the ASX guidelines. Neil Joseph is not independent as he serves as the Managing Director.</p> <p>During the period from 1 July 2017 to 11 October 2017, the Board comprised of three Directors of which two non-executive directors, Neil Herbert and Mandeep Bhandari were considered independent Directors.</p>
Recommendation 2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes, since 11 Oct 2017	<p>Since 11 October 2017, the Chair of the Board is Rod Walker, who is an independent director. Neil Joseph was appointed Managing Director and CEO of the Company on 11 October 2017.</p> <p>During the period from 1 July 2017 to 11 October 2017, the Chair of the Board was Sir Warwick Andrew. He he did not satisfy the test of independence as he was a substantial shareholder of the Company. Refer above for further details.</p>
Recommendation 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.	Yes	<p>The Remuneration and Nomination Committee, established on 10 January 2018, is responsible for developing, implementing and reviewing director induction programmes and continuing education measures to enhance director competencies and update and enhance directors' knowledge and skills in order to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p> <p>During the period from 1 July 2017 to 10 January 2018 the full Board carried out this role.</p>

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PRINCIPLE 3	Act ethically and responsibly:		
Recommendation 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 that code or a summary of it.</p>	Yes	<p>The Company's Corporate Governance Plan includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment.</p> <p>The Company's Corporate Governance Plan including the Code of Conduct is available on the Company's website.</p>
PRINCIPLE 4	Safeguard integrity in corporate reporting:		
Recommendation 4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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 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>	Yes, since 10 Jan 2018	<p>On 10 January 2018, the Board established an Audit and Risk Committee comprised of three members: David Fisher (Committee Chairman), Rod Walker and Todd Ruppert, all being independent. However, there were no meetings held by this Committee during the reporting period. The full Board carried out the role of the Audit and Risk Committee in accordance with the principles as set out in the Audit and Risk Committee Charter.</p>
Recommendation 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</p>	Yes	<p>The Company complies with this recommendation.</p> <p>During the reporting period to 11 October 2017, the Board received assurances from the Interim Managing Director and Chief Executive Officer and the Chief Financial Officer that the declaration in relation to section 295A</p>

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	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.		of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks. Going forward, the Company intends to require that the CEO and CFO (or, if none, the person fulfilling the CFO function) to provide a sign off on those terms in each financial year.
Recommendation 4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The Company requires that its external auditor attend each AGM and is available to answer questions from security holders relevant to the audit.
PRINCIPLE 5	<i>Make timely and balanced disclosure:</i>		
Recommendation 5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	(a) The Company has a Disclosure and Communication Policy, which sets out the corporate governance measures adopted by the Company to ensure that market releases are presented in a clear and factual way, ensure that shareholders have equal and timely access to material information concerning the Company and to communicate effectively with shareholders. (b) The Company's Disclosure and Communication Policy is available on the Company's website.
PRINCIPLE 6	<i>Respect the rights of security holder</i>		
Recommendation 6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance is available on the Company's website.
Recommendation 6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Disclosure and Communication Policy to facilitate effective two-way communication with investors. This Policy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website.
Recommendation 6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. The Disclosure and Communication Policy contains the relevant policies and procedures is available on the Company's website.
Recommendation 6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders have been given the option to receive information from the share registry electronically or by post. The registry maintains a database of investors who wish to receive information updates about the Company

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			electronically.
PRINCIPLE 7	Recognise and manage risk:		
Recommendation 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>(i) has at least three members, a majority of whom are independent directors;</p> <p>(ii) is chaired by an independent director and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <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>	Yes, since 11 Oct 2017	<p>The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p>The Company has established a Risk Management Policy which is available on the Company's website.</p> <p>Furthermore, as mentioned above, on 10 January 2018, the Board established an Audit and Risk Committee comprised of three members: David Fisher (Committee Chairman), Rod Walker and Todd Ruppert, all being independent. However, there were no meetings held by this Committee during the reporting period. The full Board carried out the role of the Audit and Risk Committee in accordance with the principles as set out in the Audit and Risk Committee Charter which is available on the Company's website.</p>
Recommendation 7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	No	<p>(a) The Audit and Risk Committee intends to review the Audit and Risk Committee Charter annually to keep it up to date and report to the Board any changes it considers should be made.</p> <p>The Audit and Risk Committee Charter and the Company's Risk Management Policy was last reviewed in June 2017. The Committee intends to undertake a review of the Charter and the Company's Risk Management Policy in the December quarter 2018.</p> <p>(b) The Company intends to disclose in each Annual Corporate Governance Statement whether such a review has taken place.</p>
Recommendation 7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	<p>The Company does not have an internal audit function. Accordingly, the responsibility of evaluating and improving the effectiveness of the Company's risk management and internal control processes rest primarily with the Audit and Risk Committee. The Audit and Risk Committee Charter identifies risk management and internal compliance and control systems and provides that the Audit and Risk Committee is responsible for evaluating and continually improving the effectiveness of its risk management and internal control</p>

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			processes.
Recommendation 7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	The Company discloses in its Annual Report whether it has any material exposure to economic, environmental or social sustainability risks and if so, how to manage those risks.
PRINCIPLE 8	Remunerate fairly and responsibly:		
Recommendation 8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes, since 10 Jan 2018	On 10 January 2018, the Board established a Remuneration and Nomination Committee comprised of three members: Rod Walker (Committee Chairman), David Fisher and Todd Ruppert, all being independent. However, there were no meetings held by this Committee during the reporting period. The full Board carried out the role of the Remuneration and Nomination Committee in accordance with the principles as set out in the Remuneration and Nomination Charter which is available on the Company's website.
Recommendation 8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	Yes	Detailed commentary on the remuneration of the executive and non-executive Directors and senior executives is set out in the Remuneration Report contained within the Company's Annual report. The Company follows the practice of disclosing the amount of remuneration and all monetary and non-monetary components for each director and executive during the reporting period.

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Recommendation 8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes, since 11 Oct 2017	<p>The Company has adopted an equity-based remuneration scheme. The Company's Security Trading Policy sets out whether the 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). The Securities Trading Policy prohibits participants limiting exposure to elements of their remuneration which have not vested or remain subject to a holding lock, but otherwise participants are permitted to enter into transactions permitted by law. The Company's Securities Trading Policy is available on the Company's website.</p>