

## Corporate Governance Statement

NetComm Wireless Limited has a strong commitment to effective corporate governance in order to provide the appropriate platform for sustainable and ethical organisational performance, to minimise the risks we face as a business and provide long term value for our shareholders and other stakeholders.

We regularly review our corporate governance to ensure that it continues to meet regulatory requirements and is in keeping with the strategic objectives of our business.

NetComm Wireless Limited has adopted the 3rd Edition of Corporate Governance Principles and Recommendations which were released in March 2014 and our compliance with these recommendations during the previous financial year ending 30 June 2018 is reflected in this Corporate Governance Statement.

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

The Board of Directors is responsible for the corporate governance of the Group and operates in accordance with the principles set out in its Charter. To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board. The Board's responsibilities and powers are set out in its Charter which is available in the Corporate Governance section of our website at [www.netcommwireless.com/investors/corporate-governance/board-charter.html](http://www.netcommwireless.com/investors/corporate-governance/board-charter.html).

The responsibility for the operation and administration of the Group, including the implementation of the strategic objectives set by the Board, is delegated by the Board to the Chief Executive Officer ('CEO') and the executive management team. The Board ensures that both the CEO and executive team are appropriately qualified and experienced to discharge their responsibilities.

To ensure that the responsibilities of the Board are upheld and executed, the Board has established the following sub-committees to focus on a particular responsibility and provide informed feedback to the Board:

- Audit and Risk Committee.
- Nomination and Remuneration Committee.

Each of these sub-committees have established Charters and operating procedures in place, which are reviewed on a regular basis. The respective Charters may be viewed at [www.netcommwireless.com/investors/corporate-governance/audit-and-risk-management-committee-charter.html](http://www.netcommwireless.com/investors/corporate-governance/audit-and-risk-management-committee-charter.html) and [www.netcommwireless.com/investors/corporate-governance/nomination-remuneration-committee-charter.html](http://www.netcommwireless.com/investors/corporate-governance/nomination-remuneration-committee-charter.html).

In line with its Charter, the Nomination and Remuneration Committee undertakes rigorous checking of potential Director candidates to ensure that the appointment would result in an appropriate mix of diversity, skills and experience in the Board. The Board also ensures that shareholders are provided all material information in their possession to decide whether to elect a

new Director or to re-elect a current Director to the Board. Information regarding each of the current directors is shown at <https://www.netcommwireless.com/who-we-are/leadership.html>.

The Company has a written formal agreement with each director and senior executive setting out the terms and conditions of their appointment. The material terms of the agreements for each director and the CEO are shown in the Directors Report.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary may only be appointed or removed by the Board. All directors have access to the Company Secretary and vice versa.

The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. Diversity includes, but is not limited to gender, age, ethnicity, physical ability, , religion and cultural background. The Company’s diversity policy is available at [www.netcommwireless.com/investors/corporate-governance/diversity-policy.html](http://www.netcommwireless.com/investors/corporate-governance/diversity-policy.html). The Company recently set diversity targets and submitted its first Workplace Gender Equality Agency (WGEA) report. The company has been notified that the report is compliant with the Workplace Gender Equality Act 2012 (Act).

NetComm has a Board of six directors – all of whom are currently male. The company has taken steps to broaden the diversity of the board moving forward.

The Boards’ objective is to increase the representation of women employed by the Company each year. As part of the company’s first WGEA submission, targets have been set (see below) and will be monitored by the Board

	<b>% Women</b>					
	Actual as at Nov-17	Yr 1 Target	Yr 2 Target	Yr 3 Target	Yr 4 Target	Yr 5 Target
KMP	14 %	14 %	14 %	14 %	29 %	29 %
Other Execs / General Managers	17 %	17 %	17 %	33 %	33 %	33 %
Senior Management	33 %	33 %	33 %	50 %	50 %	50 %
Middle Management	29 %	36 %	36 %	43 %	43 %	43 %
Employees	20 %	21 %	22 %	24 %	25 %	27 %
<b>TOTAL</b>	<b>20 %</b>	<b>22 %</b>	<b>23 %</b>	<b>26 %</b>	<b>28 %</b>	<b>29 %</b>

The table below shows the gender mix of employees within the Company:

	30-Jun-18			30-Jun-17	
	Female	Male		Female	Male
<b>Senior Exec</b>	29%	71%	<b>Senior Exec</b>	25%	75%
<b>Other</b>	22%	78%	<b>Other</b>	16%	84%
<b>Total</b>	<b>22%</b>	<b>78%</b>	<b>Total</b>	<b>17%</b>	<b>83%</b>

“Senior Executives” are Executive Directors, Key Leaders and Key Management Personnel functions. These figures represent both our domestic and overseas workforce. Our first WGEA submission can be found at: [WGEA Public Reports](#)

The performance of the Board is reviewed annually in line with its Charter. The Board also annually reviews the performance of the CEO based on periodic objectives set by the Board. The Nomination

and Remuneration Committee annually reviews and determines the remuneration arrangements for the CEO, submitting their recommendations to the Board for approval. The performance of senior management is reviewed on annual basis based on periodic objectives set by the CEO.

Performance reviews of the Board, its Committees, the CEO and senior management were all undertaken in the financial year ending 30 June 2018.

Further information regarding the Company's performance evaluation policy can be viewed at [www.netcommwireless.com/investors/corporate-governance/performance-evaluation.html](http://www.netcommwireless.com/investors/corporate-governance/performance-evaluation.html).

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

Board policy is that the Board will constantly review and monitor its performance. As part of this process the Board may seek to appoint persons who, in the opinion of the Board, will provide specialist expertise required for the Board to adequately perform its role. Additionally, the Board will also review its composition and advise Board members where it is felt that a Director's skills are different from those required by the company.

The current directors of NetComm Wireless are:

<b>Name</b>	<b>Position</b>	<b>Period In Office</b>
Justin Milne	Non-executive independent director and Chairman	Since 7 March 2012
Ken Boundy	Non-executive independent director	Since 24 August 2012
Stuart Black AM	Non-executive independent director	Since 21 March 2013
David Spence	Non-executive independent director	Since 22 May 2017
David Stewart	Non-executive non-independent director	Since 23 December 2017
Ken Sheridan	CEO and Managing director	Since 24 February 2017

The skills, experience and expertise of each director in office at the date of this report are shown at [www.netcommwireless.com/who-we-are/leadership.html](http://www.netcommwireless.com/who-we-are/leadership.html). None of the independent directors have any relationship with the Company (as defined in accordance with the ASX recommendations) which may affect their independent status. Directors are entitled to obtain independent external advice on matters relating to accounting, law and other relevant professional matters at the expense of the Company.

The skills matrix below shows the mix of skills, experience and expertise that the Board currently has and is looking to achieve in its membership. This is one of the tools used to identify and maintain an appropriate and diverse mix in the membership of the Board.

RELEVANCE	SKILL
<b>Business Growth</b>	Strategy Development
	Strategic Marketing
	Organisational Transformation
	International Business Development
	Telecoms Experience
	Specific M2M Customer Knowledge
	B2B Marketing Skills
	Industry Technical
<b>Subject Matter Expertise</b>	Corporate Governance
	Legal & Compliance
	Risk Management
	Professional Finance Expertise
	HR; Remuneration; Work, Health & Safety
	Technology/IT
	Public policy / government relations
	Capital Markets
	Investment Relations
	Shareholder Management
<b>General</b>	Listed Director Experience
	CEO / General Management Experience

The Board has appointed a Nomination and Remuneration Committee, whose responsibilities include assisting the Board to identify, interview and assess new Director candidates having regard to prerequisite requirements. This Committee is chaired by an independent director and more detail is provided in its Charter at [www.netcommwireless.com/investors/corporate-governance/nomination-remuneration-committee-charter.html](http://www.netcommwireless.com/investors/corporate-governance/nomination-remuneration-committee-charter.html). The Committee met two times during the past year and the members and their attendance at the meetings are detailed in the Director's Report.

The Company provides directors with appropriate access to opportunities to acquire or maintain the skills and knowledge needed to perform their role and has an induction program for new directors.

The majority of the Board are independent directors and the Chairman is an independent director. The independence of directors is reviewed annually prior to completion of the Annual Report. Independence is defined in accordance with the definitions contained within the ASX recommendations. Relevant disclosure is then made in the Annual Report (along with the length of each director's service).

The procedures for selecting and nominating new candidates for the Board are more fully described at [www.netcommwireless.com/investors/corporate-governance/appointment-and-selection-non-executive-directors.html](http://www.netcommwireless.com/investors/corporate-governance/appointment-and-selection-non-executive-directors.html).

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

The Board has approved a Code of Conduct a summary of which is available on the Company's website at [www.netcommwireless.com/investors/corporate-governance/code-conduct.html](http://www.netcommwireless.com/investors/corporate-governance/code-conduct.html). All directors, executives and employees are required to comply with that Code. Failure to comply will result in disciplinary action and may include reprimand, formal warning, demotion or, in extreme cases, termination of employment.

The Code of Conduct addresses expectations for conduct in the following areas:

- Confidential information
- Rights of Shareholders
- Privacy
- Share trading
- Conflicts of interest
- Responsibility to suppliers and customers
- Employment policies and procedures

The Company's policy regarding directors and employees trading in its shares is set out in Dealing Rules. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the share price. This policy can be seen at [www.netcommwireless.com/investors/corporate-governance/dealing-rules-employees-and-directors.html](http://www.netcommwireless.com/investors/corporate-governance/dealing-rules-employees-and-directors.html).

The Company has implemented a "whistleblower" service whereby a past or present employee, supplier and /or contractors can report a wrong doing. This is supported by our Whistleblower Policy which is communicated to all staff.

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

The Company has established an Audit and Risk Committee whose role and operations are documented in a Charter which is approved by the Board. This Charter is available at [www.netcommwireless.com/investors/corporate-governance/audit-and-risk-management-committee-charter.html](http://www.netcommwireless.com/investors/corporate-governance/audit-and-risk-management-committee-charter.html).

The Committee's Charter provides that a minimum of 3 members of the Audit and Risk Committee must be non-executive independent Directors and that the Chair will be the person appointed as Chairman by the Board. Members of the Committee at the date of this report are Mr S Black AM (Chair), Mr J Milne, Mr K Boundy and Mr D Spence, all of whom are non-executive independent Directors of the Company. The relevant qualifications and experience of the Committee members can be viewed at [www.netcommwireless.com/who-we-are/leadership.html](http://www.netcommwireless.com/who-we-are/leadership.html).

The purpose of the Committee is to:

- Review the integrity of NetComm Wireless's financial information and systems, internal and external reporting.
- Review and assess the external auditors' activities, scope and independence.
- Review the management process for the identification of significant business risks and exposures and review and assess the adequacy of management information and internal control structures.
- Provide assurance to the full Board that NetComm Wireless is adequately managing risks relating to corporate governance and business operations and is maintaining appropriate controls against conflicts of interest and fraud.

The Audit and Risk Committee is required under the Charter to meet at least two times per year. The Committee met four times during the year and Committee members' attendance records are disclosed in the Directors' Meetings section of the Directors' Report.

The CEO, CFO and external auditor also regularly attend the Committee meetings by standing invitation. Other management personnel are invited to attend Committee meetings and participate in discussion relating to specific issues that they have an interest in, as necessary.

The Committee is authorised to obtain independent legal advice at the Company's expense if it considers appropriate to assist it in meeting its responsibilities.

Before approving the Company's financial statements for each reporting period, the Board receives a declaration from the CEO and CFO that, in their opinion, the financial records 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.

The Company's external auditor attends its AGM to answer questions from shareholders that are relevant to the audit.

#### **Principle 5 – Make timely and balanced disclosure**

The Company has adopted policies concerning shareholder communication and continuous disclosure. The policies are designed to promote investor confidence by providing full and timely information to all shareholders and market participants about the Group's activities, so as to comply with the requirements of the Corporations Act 2001 and the ASX Listing Rules. A summary of the continuous disclosure policy and the communications policy are available at [www.netcommwireless.com/investors/corporate-governance/listing-rule-31-compliance-policy-and-rules.html](http://www.netcommwireless.com/investors/corporate-governance/listing-rule-31-compliance-policy-and-rules.html).

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

The Company provides information about itself and its governance on its website including copies of Annual Reports and periodic financial reports at [www.netcommwireless.com/investors/annual-and-financial-reports.html](http://www.netcommwireless.com/investors/annual-and-financial-reports.html), ASX announcements at [www.netcommwireless.com/investors/asx-announcements.html](http://www.netcommwireless.com/investors/asx-announcements.html) and media releases at [www.netcommwireless.com/news/news-releases.html](http://www.netcommwireless.com/news/news-releases.html).

NetComm Wireless encourages two-way communication with its shareholders and the wider investment community. We actively engage with shareholders at the AGM, meet with them upon request or as part of scheduled road shows, and respond to any inquiries.

Shareholders and market participants may complete a form on the Company's website at [www.netcommwireless.com/contact/investor-relations.html](http://www.netcommwireless.com/contact/investor-relations.html) to make a general inquiry or to receive copies of relevant announcements.

Further information regarding the Company's shareholder communication policy is available at [www.netcommwireless.com/investors/corporate-governance/shareholder-communications-policy.html](http://www.netcommwireless.com/investors/corporate-governance/shareholder-communications-policy.html).

## **Principle 7 – Recognise and manage risk**

The Board has adopted a detailed risk management policy which can be viewed at [www.netcommwireless.com/investors/corporate-governance/risk-management-policy.html](http://www.netcommwireless.com/investors/corporate-governance/risk-management-policy.html). This policy adopts a common sense approach to the management of risk involving a clear strategy defining the risks that the Company is in business to take and those that it is not.

The basis of this policy is the obligation and desire to protect:

- a. the Company's people and customers;
- b. the environment in which the Group operates;
- c. the Company's position as a provider of the highest quality services and products.

The Company's policy in respect of these foundations attributes that its physical, financial and human resources will be applied to ensure that the Company's standards of products and services achieve and exceed expectations. To do this the Company must pursue opportunities that involve some degree of risk. Shareholders and stakeholders must expect that optimisation of such rewards are only gained from this degree of risk taking.

Management reported to the Board during the relevant reporting period as to the effectiveness of the Company's management of its material business risk. The Board received assurance from the CEO and CFO that the declaration provided in accordance with section 295A of the Corporations Act was 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 report risks.

The Audit and Risk Committee has also been delegated responsibility by the Board to oversee the implementation and review of risk management and related internal compliance and control systems throughout the Group. The Committee reviews the appropriateness and adequacy of internal processes for determining, assessing and monitoring risk areas including the assessment of the effectiveness of the Group's internal compliance and controls. The Audit and Risk Committee reports to the Board on the major issues and findings that are presented and discussed at its meetings. The Committee's Charter may be viewed at [www.netcommwireless.com/investors/corporate-governance/audit-and-risk-management-committee-charter.html](http://www.netcommwireless.com/investors/corporate-governance/audit-and-risk-management-committee-charter.html).

This Committee reviews the Company's risk management framework at least annually and a review has been undertaken for the financial year ending 30 June 2018.

The Company deals with financial risk management and process risk management separately. Given its small size, the Company does not have a specialist internal audit function and instead employs specialist external advisors alongside a peer review process, both under the direction of the CFO but whom report any findings to the Audit and Risk Committee. The CFO also regularly attends the Company's Integrated Management Systems Committee meetings which review the Company's performance and compliance with ISO 9001, ISO 14001 and OHSAS 18001 standards throughout the year.

The Audit and Risk Committee reviews all material business risks (including any material exposure to economic, environmental or social sustainability) and ensures that the Company implements

strategies to mitigate these risks. The Company discloses any material exposure to these risks and its management process at [www.netcommwireless.com/investors/corporate-governance/our-material-risks.html](http://www.netcommwireless.com/investors/corporate-governance/our-material-risks.html).

#### **Principle 8 – Remunerate fairly and responsibly**

The Board has established a Nomination and Remuneration Committee whose role is documented in a Charter which is approved by the Board. A copy of this charter is available at [www.netcommwireless.com/investors/corporate-governance/nomination-remuneration-committee-charter.html](http://www.netcommwireless.com/investors/corporate-governance/nomination-remuneration-committee-charter.html).

The Committee's Charter provides that a minimum of 3 members of the Nomination and Remuneration Committee and the Chair will be the person appointed as Chairman by the Board. Members of the Committee at the date of this report are Mr K Boundy (Chair), Mr J Milne, Mr S Black AM and Mr D Spence, all of whom are non-executive independent directors of the Company.

The objective of the Committee with respect to its remuneration function is to assist the Board in determining appropriate remuneration arrangements for the Directors and executive management.

These objectives include:

- Reviewing the remuneration guidelines for senior management, including base salary, Short Term Incentives, (bonuses) Long Term Incentives (s), salary packaging and final contractual agreements.
- Reviewing non-executive fees and costs by seeking external benchmarks.
- Reviewing the CEO's remuneration, allowances and incentives and final package in consultation with both independent and external reference.

The Committee will submit their recommendations to the Board regarding the remuneration arrangements and performance incentives for the CEO and executive team. The Board will review these recommendations before providing their approval.

Details of the Company's remuneration structure and details of key executives' remuneration and incentives are set out in the Remuneration Report contained within the Directors' Report. The Remuneration Report also contains details on the remuneration structure of non-executive Directors.

Any shares that are issued as part of remuneration are issued at market price. Recipients are not permitted to enter into transactions which limit the economic risk of participating in this scheme.

Further information on our key policies and codes are also available in the Corporate Governance section of our website at [www.netcommwireless.com/investors/corporate-governance.html](http://www.netcommwireless.com/investors/corporate-governance.html).

Approved by the Board of NetComm Wireless Limited on 24 August 2018.