



Cellnet Group Limited
59 – 61 Qantas Drive
Eagle Farm Queensland 4009

24 October 2012

Shannon Hong
Adviser, Listings
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

Via email: to Shannon.hong@asx.com.au

Dear Shannon

Re: Annual Report 2012 – Diversity Policy

Cellnet recognises that diversity is a desirable and necessary feature of its operations which increases the ability to develop and maintain a high-performing workforce.

In response to your query of Monday 22 October 2012 I advise as follows:

Recommendation 3.2

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 towards achieving them.

Cellnet has adopted a formal diversity policy which has been uploaded onto its website. A copy is attached to this letter.

No measurable objectives have been set by the Board due to the Company's size and because the operation and development of the diversity policy was relatively new and being integrated with existing employment and equal opportunity practices.

It is Board policy to review this policy as part of its annual compliance review and to assess and report on diversity at the end of each financial year.

Recommendation 3.3

Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Please refer to our response to Recommendation 3.2.



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Recommendation 3.4

Companies should disclose in each annual report the proportion of women employees in the whole organisation , women in senior executive positions and women on the board.

The Company discloses:

Gender	Total	Senior Management	Board
Female	49	1	0
Male	57	6	3
% Female	46.2%	16.7%	0.0%

Recommendation 3.5

Companies should provide the information indicated in the Guide to reporting on Principle 3.

Please refer to our response to Recommendation 3.2. The Company will ensure that its next annual report addresses the matters described above.

Yours sincerely,

Chris Barnes

Company Secretary

CELLNET GROUP LIMITED ACN 010 721 749

DIVERSITY POLICY

1. OUR PHILOSOPHY

A diverse workforce is one that recognises and embraces the value that different people can bring to an organisation through their gender, age, ethnicity, cultural background, marital status, sexual orientation and/or religious beliefs.

Cellnet Group Limited (**Company**) aims to create an environment in which diverse experiences, perspectives and backgrounds are valued and utilised.

The Board believes that improved workforce participation at all levels, broadens the pool for recruitment of high quality employees, enhances employee retention, encourages greater innovation and improves corporate image and reputation which will ultimately enrich its corporate performance and enhance shareholder value.

This Diversity Policy reflects the Company's commitment to workplace diversity and compliance with the Australian Securities Exchange (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations.

2. PROMOTING DIVERSITY IN THE COMPANY

The Company promotes a diverse workplace by aiming to ensure that all employees and applicants for employment are fairly considered according to their skills, qualifications and abilities.

The Company has adopted the following to assist with improving gender diversity:

- (a) Building and maintaining a safe work environment by taking action against inappropriate workplace and business behaviour (including discrimination, harassment, bullying, victimisation and vilification).
- (b) Developing flexible work practices to meet the differing needs of our employees at different stages of their life cycle in the context of business requirements.
- (c) Mentoring programs and professional development programs targeted at female employees to prepare them for management positions.
- (d) Regularly reviewing pay equity to address any gender gaps and encouraging female participation in paid parental leave and flexible working hours.



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- (e) Ensuring equal employment opportunity where equal treatment is given to employment, training, promotion and compensation, regardless of gender.

3. ROLES AND RESPONSIBILITY

The Board is responsible for establishing and monitoring the Company's overall diversity strategy and policy.

The Company's Remuneration Committee is responsible for:

- (a) Reviewing, noting and monitoring the effectiveness of the Diversity Policy from time to time;
- (b) Reviewing and setting the measurable objectives for achieving diversity;
- (c) Reporting to the Board annually on those objectives;
- (d) Reviewing the remuneration by gender and report this information to the Board together with any measurable objectives;
- (e) Annually reviewing and reporting to the Board on the proportion of women in the Company's workforce at three levels in the organisation (Board level, senior management and the whole organisation), including benchmarking the data against relevant industry standards where possible.
- (f) Conducting all Board appointment processes in a manner which promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

Every employee is responsible for supporting the Company's commitment to workplace diversity.

4. COMMUNICATION

The Company commits to the communication of this Diversity Policy within the company and to its shareholders and the market.

A copy of this Diversity Policy can be found on www.cellnet.com.au.



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www.asx.com.au

22 October 2012

Chris Barnes
Company Secretary
Cellnet Group Limited
59-61 Qantas Drive
Eagle Farm QLD 4009

By Email: Chris.Barnes@cellnet.com.au

Dear Chris,

Cellnet Group Limited (the "Company")

We refer to the Company's annual report for the year ended 30 June 2012 ("Annual Report") released to the market today, 22 October 2012 and in particular to the Company's disclosures about its corporate governance practices and in particular its diversity policy.

Listing rule 4.10.3 requires that an entity include in its annual report:

"A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed."

Principle 3 of the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

"Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board."

More specifically the following recommendations set out in more detail the requirements:-

Recommendation 3.2

"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."

Recommendation 3.3



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"Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them."

Recommendation 3.4

"Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board."

Recommendation 3.5

"Companies should provide the information indicated in the Guide to reporting on Principle 3."

The Listed Entities Updates dated 1 October 2010 and 7 February 2012, reminded listed entities of their obligation to report under the 2010 amendments to the 2nd edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.

The additional disclosure should be sent to me by e-mail at Shannon.Hong@asx.com.au or by facsimile on facsimile number **(02) 9241 7620**. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **10.30am E.D.T. on Monday, 29 October 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.



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If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

Shannon Hong
Adviser, Listings