

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

SHOPLY LIMITED

ABN/ARBN

93 085 545 973

Financial year ended

30 June 2015

Our corporate governance statement² for the above period above can be found at:³

- these pages of our annual report: _____
- this URL on our website: <http://www.shoply.com.au>

The Corporate Governance Statement is accurate and up to date as at **28 September 2015** and has been approved by the board.

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



Alyn Tai
Company Secretary
28 September 2015

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.shoply.com.au</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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 in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>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.</p>	<p>... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.5 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>(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</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it: <input type="checkbox"/> at this location:</p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2): <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>1.6 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>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 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>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination 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; OR</p> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>http://www.shoply.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>In the Company's 2015 Annual Report</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.shoply.com.au</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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 	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>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>	<p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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.	... our continuous disclosure compliance policy or a summary of it: ✓ in our Corporate Governance Statement OR ✓ at this location: http://www.shoply.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ✓ at this location: http://www.shoply.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ✓ in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
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; OR</p> <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>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.shoply.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
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.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: The Company's 2015 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



CORPORATE GOVERNANCE STATEMENT

The Directors and management of Shoply Limited (the **Company**) are committed to conducting the Shoply Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the *ASX Corporate Governance Principles and Recommendations (Third Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared this statement which sets out its corporate governance practices that were in operation throughout the financial year ended 30 June 2015, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.

The Company's corporate governance policies and charters and policies are all available on the Company's web site (www.shoply.com.au) (**Website**).

ASX Recommendation	Status	Reference / Comment
<p>Principle 1 – Lay solid foundations for management and oversight <i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i></p>		
<p>1.1 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>	<p>Complying</p>	<p>The Board has adopted a charter (Board Charter) which establishes the role of the Board and its relationship with management. The Board Charter clearly articulates the division of responsibilities between the Board and management, in order to manage expectations and avoid misunderstandings about their respective roles and accountabilities.</p> <p>As detailed in the Board Charter, the primary role of the Board is the protection and enhancement of long term shareholder value, and its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for the overall corporate governance of the Company.</p> <p>The Board Charter additionally sets out the role and responsibility of the Chairman, and outlines the Board's policy on when and how Directors may seek independent professional advice at the expense of the Company.</p> <p>The Board has delegated to the Chief Executive Officer (CEO) the authority and power to manage the Company and its businesses within levels of authority specified by the Board from time to time. The CEO may sub-delegate aspects of his authority and power but remains accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress being made by the Company's business operations.</p> <p>A copy of the Board Charter is available on the Website.</p>
<p>1.2 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 in its possession relevant</p>	<p>Complying</p>	<p>The Board has established and operates a Nomination and Remuneration Committee. The Nomination and Remuneration Committee's functions and powers are formalised in a Nomination and Remuneration Committee Charter, a copy of which is available on the Website.</p> <p>The nomination-related function of the Nomination and Remuneration Committee is to, where required:</p> <ul style="list-style-type: none"> ▪ identify, suitable candidates with appropriate skills, experience, expertise and diversity to complement the

ASX Recommendation	Status	Reference / Comment
	<p>to a decision on whether or not to elect or re-elect a director.</p>	<p>existing Board, in order for the Board to discharge its mandate effectively and to maintain the necessary mix of expertise on the Board; and</p> <ul style="list-style-type: none"> ▪ undertake appropriate checks on a candidate and seek confirmation from the candidate that he/she will have sufficient time to fulfil his or her responsibilities as a director; and ▪ subject to the results of such checks and confirmations, make recommendations to the Board on their appointment. <p>Where appropriate, external consultants may be engaged to assist in searching for candidates and undertaking relevant checks.</p> <p>The Company will provide information to shareholders about Directors seeking re-election at a general meeting to enable them to make an informed decision on whether or not to re-elect the Director, including their relevant qualifications and experience and the skills they bring to the Board; details of any other listed directorships held by the Director in the preceding 3 years; the term of office already served by the Director; whether the Director is considered to be independent; and a recommendation by the Board in respect of the re-election of the Director.</p> <p>The Company will, in the case of a candidate standing for election as a director for the first time, provide information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate, including material adverse information revealed by any checks the Nomination and Remuneration Committee has performed on the candidate; details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to exercise independent judgement on board matters or to act in the best interests of the Company and its shareholders generally; the Board's view on whether the candidate will be considered to be an independent Director; and a recommendation by the Board in respect of the election of the candidate.</p>
<p>1.3</p>	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Complying</p> <p>All Directors and senior executives have entered into written agreements with the Company.</p> <p>Specifically, each Non-Executive Director has been given a letter of appointment which outlines terms including the Director's duties, obligations, remuneration, expected time commitments and notification of the Company's policies. Similarly, senior executives including the CEO and Chief Financial Officer (CFO), have a formal job description and services agreement or employment agreement with the Company describing their term of office, duties, rights and responsibilities, and entitlements on termination.</p>
<p>1.4</p>	<p>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.</p>	<p>Complying</p> <p>The Company Secretary is responsible for the day to day operations of the company secretary's office, including the administration of Board and committee meetings, overseeing the Company's relationship with its share registrar and lodgements with the ASX and other regulators. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX. The Company Secretary supports the effectiveness of the Board by monitoring compliance with Board policies and procedures, and co-ordinating the completion and despatch of Board agendas</p>

ASX Recommendation	Status	Reference / Comment
		<p>and briefing papers.</p> <p>The Company Secretary is accountable to the Board, and all Directors have access to the Company Secretary.</p> <p>The decision to appoint or remove the Company Secretary is made or approved by the Board.</p>
<p>1.5</p>	<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>(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</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>Part-Complying</p> <p>The workforce of Shoply is made up of individuals with diverse skills, backgrounds, perspectives and experiences, and this diversity is recognised, valued and respected. Whilst the Board has contemplated the necessity of implementing a diversity policy, given the relatively small size of the Company and the fact that the Company has only a small number of employees, the Board has resolved to depart from the Recommendations by not implementing a gender diversity policy.</p> <p>Whilst the Company has not set formal measurable objectives for achieving gender diversity, at such time that the Company seeks to establish and expand its workforce, the Company will be committed to the principles of employing people with a broad range of experiences, skills and views.</p> <p>As at 30 June 2015, the Company had 49 employees and 4 contractors; of these, 15 are female, none of whom hold senior management roles. Whilst as at 30 June 2015, there were no female directors on the Board, during the year there was 1 female director, Ms Sophie Karzis, on the Board. The Company Secretary is female.</p>

ASX Recommendation	Status	Reference / Comment
<p>1.6</p> <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>	<p>Complying</p>	<p>The Nomination and Remuneration Committee is required to regularly carry out a formal review of the performance of the Board, its committees, and each individual Director, using where necessary an external consultant, against appropriate measures. The review will assess, amongst other things:</p> <ul style="list-style-type: none"> ▪ the effectiveness of the Board and each committee in meeting the requirements of its charter; ▪ whether the Board and each committee has members with the appropriate mix of skills and experience to properly perform their functions; ▪ the contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and ▪ whether adequate time is being allocated to the Company's matters, taking into account each Director's other commitments. <p>The Nomination and Remuneration Committee and the Audit and Risk Management Committee are also required to evaluate their own performances on a regular basis to determine whether each committee is functioning effectively by reference to current best practice. Performance evaluations for the committees will be undertaken in the 2016 financial year.</p>
<p>1.7</p> <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>	<p>Complying</p>	<p>The Nomination and Remuneration Committee is required to regularly carry out a formal review of the performance of senior management, using where necessary an external consultant, against appropriate measures.</p> <p>In addition, each year, the Nomination and Remuneration Committee is required to review the performance of the CEO and any other executive directors as may be appointed against guidelines approved by the Board.</p> <p>A performance evaluation of the CEO and senior executives was undertaken by the Board after the end of the 2015 financial year.</p>
<p>Principle 2 – Structure the Board to add value</p> <p><i>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i></p>		
<p>2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination 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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p>	<p>Complying</p>	<p>The Board has established a Nomination and Remuneration Committee comprising three members, Mr Domenic Carosa, Mr Andrew Plympton, and Mr Matthew Dickinson. The Nomination and Remuneration Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>All Nomination and Remuneration Committee members, with the exception of Mr Domenic Carosa, are considered to be independent Directors. The Chairman of the Nomination and Remuneration Committee is Domenic Carosa, who is not an independent Director.</p> <p>The nomination-related function of the Nomination and Remuneration Committee is, in summary, to review and make recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the</p>

ASX Recommendation	Status	Reference / Comment
	<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 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.</p>	<p>recruitment and appointment of Directors and senior management).</p> <p>The Nomination and Remuneration Committee will meet as often as is required by the Nomination and Remuneration Committee Charter or other policy approved by the Board to govern the operation of the Nomination and Remuneration Committee. Following each meeting, the Nomination and Remuneration Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination and Remuneration Committee that requires Board approval.</p> <p>The Company will disclose in future annual reports the number of times the Nomination and Remuneration Committee meets throughout each financial year and the individual attendances of the members at those meetings.</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>	<p>Part-complying</p> <p>The Board aims to be comprised of Directors which have, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to the Company's businesses and the Board's responsibilities. This objective is enumerated in the Board Charter.</p> <p>Whilst the Company does not currently disclose a board skills matrix setting out the mix of skills of the Directors, the Company's Annual Report sets out the skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report.</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 Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>Complying</p> <p>As at 30 June 2015, the Board comprised a total of 5 Directors: Messrs Andrew Plympton, Domenic Carosa, Lorenzo Coppa, Matthew Dickinson and Mark Goulopoulos. During the year, Mr Damian London and Ms Sophie Karzis resigned as Directors. All Directors during the year were Non-Executive Directors.</p> <p>The Board has considered the circumstances of each Director and determined that Mr Andrew Plympton (Non-Executive Chairman) and Mr Matthew Dickinson (Non-Executive Director) are independent Directors, on the basis that they are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence the independent exercise of their judgement. Ms Sophie Karzis (former Non-Executive Director) was considered to be independent during her tenure as Director.</p> <p>In assessing the independence of Mr Domenic Carosa (Non-Executive Director) and Mr Damian London (former Non-Executive Director), the Board took into account the fact that Mr Carosa is a substantial shareholder of the Company, and Mr London was (during his tenure as Director) a substantial shareholder of the Company.</p> <p>In assessing the independence of Mr Mark Goulopoulos (Non-Executive Director), the Board took into account the fact that Mr Goulopoulos is a senior employee of a Patersons Securities Limited, which has been a provider of material professional</p>

ASX Recommendation		Status	Reference / Comment
			<p>services to the Company during the last three years.</p> <p>In assessing the independence of Mr Lorenzo Coppa (Non-Executive Director), the Board took into account the fact that Mr Coppa has been, during the year, in a material business relationship with the Company, as a result of Mr Coppa's association with the vendors of the eStore business which the Company acquired during the year.</p> <p>In reaching the conclusions set out above, the Board considered the guidelines of materiality for the purpose of determining Director independence set out in the Board Charter and Box 2.3 of the Recommendations.</p> <p>The Board, with the guidance of the Nomination and Remuneration Committee, will continually assesses whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Corporations Act and monthly Board meeting processes require Directors to advise the Board of any interest they have that has the potential to conflict with the interests of the Group, including any development that may impact their perceived or actual independence. If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market.</p> <p>The length of service of each Director is set out in the Company's 2015 Annual Report.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Non-Complying	<p>As at 30 June 2015, the Board comprised a total of 5 Directors: Messrs Andrew Plympton, Domenic Carosa, Lorenzo Coppa, Matthew Dickinson and Mark Gouloupoulos.</p> <p>The Board considers that 2 of the 5 Directors (as at 30 June 2015), being Messrs Andrew Plympton and Matthew Dickinson, are independent Directors.</p> <p>During the year, Mr Damian London and Ms Sophie Karzis resigned as Directors. Mr London was not considered to be an independent Director, and Ms Karzis was considered to be an independent Director.</p>
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.	Complying	<p>Mr Andrew Plympton has been Chairman of the Company since 2010 and was, at the date of his appointment, and continues to be, independent. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.</p> <p>The positions of Chairman and Chief Executive Officer are held by separate persons.</p>

ASX Recommendation	Status	Reference / Comment
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>	<p>Complying</p> <p>The Nomination and Remuneration Committee is tasked with ensuring that an effective induction process is in place for newly appointed Directors, and the review of those induction procedures. In addition, the Nomination and Remuneration Committee is responsible for ensuring that incumbent Directors are provided with appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p> <p>As Directors join the Board, they undertake a comprehensive induction program, which includes the provision of information on the Company's core values, key strategies, objectives, as well as its governance framework and operations. New Directors also meet with key senior management to gain a better appreciation of the Group's services and capabilities.</p> <p>The Board receives ongoing governance updates as required, including in relation to recent legislative and regulatory changes and developments in corporate governance. All Directors have ongoing access to information on the Company's operations and to the Group's senior management.</p> <p>Each Director, at any time, is able to seek reasonable independent professional advice on any business-related matter at the expense of the Company. Directors also have access to adequate internal resources to seek any information from any officer or employee of the Group, or to require the attendance of management at meetings to enable them as Directors to fulfil their duties.</p>
<p>Principle 3 – Act ethically and responsibly <i>A listed entity should act ethically and responsibly</i></p>		
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>	<p>Complying</p> <p>The Board is committed to observing the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct, a copy of which is available on the Website, and which sets out the way in which the Company seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Company in strict compliance with all laws and regulations.</p> <p>The Code of Conduct articulates acceptable practices for directors, senior executives and employees, to guide their behaviour and to demonstrate the commitment of the Company to ethical practices. The Company also seeks to ensure that advisers, consultants and contractors are aware of the Company's expectations as set out in its Code of Conduct.</p>
<p>Principle 4 – Safeguard integrity in corporate reporting <i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</i></p>		
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;</p>	<p>Part-Complying</p> <p>During the financial year ended 30 June 2015, the Board did not have a formal audit committee, having regard to the size of the Company. Instead, the Board as a whole performed the function of an audit committee.</p> <p>Subsequent to 30 June 2015, the Board established a formal Audit and Risk Management Committee. The Audit and Risk Management Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>The newly established Audit and Risk Management Committee comprises three members, Messrs Lorenzo Coppa, Andrew</p>

ASX Recommendation	Status	Reference / Comment
	<p>and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; 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>	<p>Plympton and Mark Goulopoulos.</p> <p>The only Audit and Risk Management Committee member considered to be an independent Director is Andrew Plympton. The Chairman of the Audit and Risk Management Committee, Lorenzo Coppa, is not an independent Director.</p> <p>The Audit and Risk Management Committee will meet as often as is required by the Audit and Risk Management Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Management Committee. The Chair of the Committee may invite other Directors, members of senior management and representatives of the external auditor to be present at meetings of the committee and seek advice from external advisers. The Audit and Risk Management Committee will regularly report to the Board about committee activities, issues and related recommendations.</p> <p>The audit-related role of the Audit and Risk Management Committee is to oversee the Company's financial reporting and its internal and external audit functions. This includes confirming the quality and reliability of the financial information prepared by the Company, working with the external auditor on behalf of the Board and reviewing non-audit services provided by the external auditor, to confirm that they are consistent with maintaining external audit independence.</p> <p>The Audit and Risk Management Committee did not meet during the year ended 30 June 2015 since the Committee was not established until after 30 June 2015. The relevant qualifications and experience of the Audit and Risk Management Committee members are disclosed in the Company's Annual Report.</p> <p>The Company will disclose in future annual reports the number of times the Audit and Risk Management Committee meets throughout each financial year and the individual attendances of the members at those meetings.</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>	<p>Complying</p> <p>The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Group's financial position and prospects.</p> <p>The Board reviews the Group's half yearly and annual financial statements. The Board requires that the Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and operational results and are in accordance with relevant accounting standards and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board does and will continue to seek these assurances prior to approving the annual financial statements for all half year and full year results.</p>

ASX Recommendation	Status	Reference / Comment
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>Complying</p> <p>Shareholders are encouraged to attend the Company's Annual General Meeting, which the Company endeavours to ensure the attendance of its auditors.</p> <p>Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p>
<p>Principle 5 – Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></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>Complying</p> <p>The Company has a documented policy which has established procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The focus of these procedures is on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities and improving access to information for all investors.</p> <p>The Chief Executive Officer, the Chief Financial Officer and the Company Secretary are responsible for interpreting the Group's policy and where necessary informing the Board. The purpose of the procedures for identifying information for disclosure is to ensure timely and accurate information is provided equally to all shareholders and market participants.</p> <p>The Company Secretary is responsible for all communications with the ASX. All Company announcements are vetted and authorised by the Board and senior management to ensure they are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.</p> <p>The policy on continuous disclosure is published on the Website.</p>
<p>Principle 6 – Respect the rights of security holders <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i></p>		
6.1	<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Complying</p> <p>The Board informs shareholders of all major developments affecting the Group's state of affairs as follows:</p> <ul style="list-style-type: none"> ▪ placing all relevant announcements made to the market, on the Website after they have been released to ASX; ▪ publishing all corporate governance policies and charters adopted by the Board on the Website; ▪ releasing information provided to analysts or media during briefings to ASX and placing such information on the Website; and ▪ placing the full text of notices of meeting and explanatory material on the Website.

ASX Recommendation	Status	Reference / Comment
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>Complying</p> <p>The Company communicates with its shareholders and investors by posting information on the Website, and by encouraging attendance and participation of shareholders at general meetings. Investors are also able to provide feedback and seek further information about the Company via the Website.</p> <p>Management or Directors additionally meet with shareholders from time to time upon request and respond to any enquiries they may make.</p>
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.	<p>Complying</p> <p>Shareholders are encouraged to attend the Company's general meetings, and notice of such meetings will be given in accordance with the Company's Constitution, the Corporations Act, and the ASX Listing Rules.</p> <p>The Company's annual general meeting in particular is an opportunity for shareholders to receive updates from the CEO and Chairman on Group performance, ask questions of the Board and vote on the various resolutions affecting the Company's business. Shareholders are also given an opportunity at annual general meetings to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.</p> <p>The date, time and location of the Company's general meetings will be provided in the notices of meetings, and on the Website. Whilst shareholders are encouraged to attend meetings in person, in the event that they are unable to do so, they are encouraged to participate in the meeting by appointing a proxy, attorney or representative to vote on their behalf.</p>
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.	<p>Complying</p> <p>Investors are able communicate with the Company electronically via the Website or by emailing the Company Secretary.</p> <p>Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.</p> <p>The Company encourages its shareholders to receive company information electronically by registering their email addresses online with the Company's share registry.</p>

Principle 7 – Recognise and manage risk

A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.

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,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p>	<p>Part-Complying</p>	<p>During the financial year ended 30 June 2015, the Board did not have a formal risk committee, having regard to the size of the Company. Instead, the Board as a whole performed the function of a risk committee.</p> <p>Subsequent to 30 June 2015, the Board established a formal Audit and Risk Management Committee. The Audit and Risk Management Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>The newly established Audit and Risk Management Committee comprises three members, Messrs Lorenzo Coppa, Andrew Plympton and Mark Gouloupoulos.</p> <p>The only Audit and Risk Management Committee member considered to be an independent Director is Andrew Plympton. The Chairman of the Audit and Risk Management Committee, Lorenzo Coppa, is not an independent Director.</p>
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ASX Recommendation	Status	Reference / Comment
	<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) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Audit and Risk Management Committee will meet as often as is required by the Audit and Risk Management Committee Charter or other policy approved by the Board to govern the operations of the Audit and Risk Management Committee. The Chair of the Committee may invite other Directors, members of senior management and representatives of the external auditor to be present at meetings of the committee and seek advice from external advisers. The Audit and Risk Management Committee will regularly report to the Board about committee activities, issues and related recommendations.</p> <p>The risk-related role of the Audit and Risk Management Committee is to oversee the Company's internal control structure and risk management systems, to provide advice to the Board and to report on the status and management of the risks to the Company. The purpose of the Committee's risk management process is to assist the Board in relation to risk management policies, procedures and systems and ensure that risks are identified, assessed and appropriately managed.</p> <p>The Audit and Risk Management Committee did not meet during the year ended 30 June 2015 since the Committee was not established until after 30 June 2015. The relevant qualifications and experience of the Audit and Risk Management Committee members are disclosed in the Company's Annual Report.</p> <p>The Company will disclose in future annual reports the number of times the Audit and Risk Management Committee meets throughout each financial year and the individual attendances of the members at those meetings.</p>
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>	<p>Complying</p> <p>The Group has established policies and procedures to identify, assess and manage all material business and operational risks. The Board has responsibility for monitoring risk oversight and ensures that the Chief Executive Officer and the Chief Financial Officer or equivalent report on the status of business risks through risk management programs aimed at ensuring risks are identified, assessed and appropriately managed.</p> <p>In addition the Board reviews the risk management framework and policies of the Group, and is satisfied that management has developed and implemented a sound system of risk management and internal control.</p> <p>The Board oversees policies on risk assessment and management.</p> <p>Subsequent to 30 June 2015, upon the establishment of the Audit and Risk Management Committee, the Board has delegated to that committee responsibility for reviewing and monitoring the Company's risk management framework to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.</p>

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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>	<p>Complying</p> <p>The Company does not at this time, have an internal audit function. The Audit and Risk Management Committee has responsibility to ensure that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls.</p> <p>The Company's external auditors also provide recommendations to the Board where internal control weaknesses have been identified.</p> <p>During the year, the Board was responsible for overseeing the implementation of recommendations to improve internal control weaknesses made by the Company's auditors, as well as to generally oversee reviews and improvements to risk management and internal control processes. With the establishment of the Audit and Risk Management Committee after 30 June 2015, the Board has now delegated this responsibility to that committee.</p>
7.4	<p>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.</p>	<p>Complying</p> <p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>The Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Group.</p>

Principle 8 – Remunerate fairly and responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.

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,</p> <p>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</p>	<p>Part-Complying</p> <p>The Board has established a Nomination and Remuneration Committee comprising three members, Mr Domenic Carosa, Mr Andrew Plympton, and Mr Matthew Dickinson. The Nomination and Remuneration Committee's functions and powers are formalised in a Charter, a copy of which is available on the Website.</p> <p>All Nomination and Remuneration Committee members, with the exception of Mr Domenic Carosa, are considered to be independent Directors. The Chairman of the Nomination and Remuneration Committee is Domenic Carosa, who is not an independent Director.</p> <p>The remuneration-related role of the Nomination and Remuneration Committee is to review and make recommendations to the Board on remuneration packages and practices applicable to the CEO, senior executives and Directors themselves. This role also includes responsibility for share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced Directors and senior executives. The Nomination and Remuneration Committee may obtain independent advice on the appropriateness of remuneration packages.</p> <p>The Nomination and Remuneration Committee will meet as often as is required by the Nomination and Remuneration Committee Charter or other policy approved by the Board to govern the operation of the Nomination and Remuneration Committee.</p>
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	meetings; or (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>Following each meeting, the Nomination and Remuneration Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Nomination and Remuneration Committee that requires Board approval.</p> <p>The Company will disclose in future annual reports the number of times the Nomination and Remuneration Committee meets throughout each financial year and the individual attendances of the members at those meetings.</p>
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.	Complying	<p>Details of the Directors' and key senior executives' remuneration are set out in the Remuneration Report section of the Company's 2015 Annual Report.</p> <p>The structure of Non-Executive Directors' remuneration is distinct from that of executives and is further detailed in the Remuneration Report section of the Company's 2015 Annual Report.</p>
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>	Complying	<p>The Company has adopted a Long Term Incentive Plan (LTIP) to assist in the motivation, retention and reward of the CEO and certain senior executives. The LTIP is designed to align the interests of the CEO and senior executives more closely with the interests of shareholders by providing an opportunity for senior executives to receive an equity interest in the Company through the granting of performance rights, the vesting of which is subject to satisfaction of certain performance conditions.</p> <p>A summary of the LTIP was provided in the Company's notice of meeting for its 2013 AGM, where the LTIP was approved by shareholders.</p> <p>Participants in the LTIP are not permitted to hedge or otherwise limit the economic risk of participating in the LTIP.</p> <p>In addition, the Company has adopted a Securities Trading Policy which prohibits Directors, the CEO and senior executives and other key management personnel and their closely related parties from entering into any arrangement that would have the effect of, directly or indirectly, granting any form of security (whether by way of charge, mortgage, pledge or otherwise) over any the Company's securities which are unvested or subject to a holding lock, to secure any obligation or enter into any margin lending arrangement involving the Company's securities.</p> <p>A copy of the Securities Trading Policy is available on the Website.</p>