



**CORPORATE GOVERNANCE STATEMENT OF MOBILE EMBRACE LIMITED A.C.N. 089 805 416 (ASX: MBE)
PROVIDED PURSUANT TO ASX LISTING RULE 4.10.3**

This Corporate Governance Statement (CGS) is provided by the Directors of Mobile Embrace Limited A.C.N. 089 805 416 (MBE or the Company) pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations’ 3rd Edition (the Recommendations) including the 8 principles and 29 specific recommendations included therein. This is the third time the Company has reported against the 3rd Edition of the Recommendations. This CGS was approved by a resolution of the Board of the Company dated 26 October 2017 and is effective as at the same date and is in addition to and supplements the Company’s Appendix 4G which is lodged with the ASX together with this CGS.

	<u>Principle 1 Recommendations:</u>	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>(a) The Board is empowered to manage the business of the company subject to the <i>Corporations Act, 2001 (Cth.)</i> (<i>‘Corporations Act’</i>) and the company’s constitution. The Board is responsible for the overall corporate governance of the company and the management of the company. The role and responsibilities of the Board are set out in a Formal Board Charter (a copy of which can be found on the company’s website).</p> <p>(b) The responsibilities of the Board include:</p> <ul style="list-style-type: none"> • approving the strategic objectives of the Company and establishing goals to promote their achievement; • monitoring the operational and financial position and performance of the Company; • ensuring the directors inform themselves of the Company’s business and financial status; • establishing investment criteria including acquisitions and divestments, approving investments, and implementing ongoing evaluations of investments against such criteria; • approving and monitoring the progress of major capital expenditure, capital management and major acquisitions and divestitures; • providing oversight of the Company, including its control and accountability systems; • considering and approving the Company’s budgets; • establishing written policies on compliance, risk oversight and management; • reviewing and ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance, in conjunction with the Company’s Audit Committee, and ensuring

		<p>they are operating effectively;</p> <ul style="list-style-type: none"> • appointing and removing the CEO or equivalent (referred to for the purposes herein as CEO unless otherwise specified), monitoring performance and approving remuneration of the CEO and the remuneration policy and succession plans for the CEO, where applicable and appropriate; • ratifying the appointment of directors and, where appropriate or applicable, the Secretary; • ensuring that business risks facing the Company are, where possible, identified and that appropriate monitoring and reporting internal controls are in place to manage such risks; • approving and monitoring financial and other reporting and disclosure; • determining the dividend policy of the Company and declaring dividends; • ensuring the Company complies with its responsibilities under the Corporations Act 2001, the Company's constitution, the ASX Listing Rules and other relevant laws; • exercising due care and diligence and sound business judgment in the performance of those functions and responsibilities; and • ensuring appropriate resources are available to Senior Executives. <p>The Board delegates to the Chief Executive Officer (who is a Director of the Company and presently is Mr Neil Wiles), and senior managers responsible to him the authority to manage the company's day-to-day activities, and the implementation of corporate objectives. It is the role of management to manage the company in accordance with the direction determined by the Board and the Board's delegations to management.</p> <p>The CEO is appointed by the Board and is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board. The responsibilities include:</p> <ul style="list-style-type: none"> • developing, with the Board, a consensus for the Company's vision and direction; • constructing, with Senior Executives, programs to implement this vision; • implementing the Company's risk management policies (in conjunction with the Company's Audit Committee); • negotiating the terms and conditions of appointment of the Senior Executives for Board approval; • appointing the general managers of the Company; • endorsing the terms and conditions of appointment of all other staff members; • providing strong leadership to, and effective management of, the Company in order to: <ul style="list-style-type: none"> (i) encourage co-operation and teamwork; (ii) build and maintain staff morale at a high level; and (iii) build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
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		<ul style="list-style-type: none"> • ensuring a safe workplace for all personnel; • ensuring a culture of compliance generally; • carrying out the day-to-day management of the Company; • forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company; • keeping the Board informed, at an appropriate level, of all the activities of the Company; and • seeking to ensure that all personnel act with the highest degree of ethics and probity. <p>The CEO is formally delegated by the Board to authorise all expenditures as approved in the budget, subject to:</p> <ul style="list-style-type: none"> • CEO’s remuneration, outside of normal monthly remuneration, being authorised by the Chairman; • all business related expenses paid to the CEO being authorised or ratified by the Chairman; and • the appointment of individuals to specific management roles while being the responsibility of the CEO, the terms and conditions under which appointed individuals report to the CEO must be approved by the Board.
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>(a) Prior to the nomination of prospective non-executive directors for election or re-election, the Board aims to obtain from the prospective candidate:</p> <ul style="list-style-type: none"> • details of other commitments of the prospective candidate and an indication of the time involved; and • an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of non-executive directors of the Company. <p>Appropriate checks will be undertaken prior to the appointment of any new directors to the Board.</p> <p>(b) When a candidate is placed before shareholders for election or re-election as a director, the names of candidates submitted is accompanied by the following information to enable shareholders to make an informed decision in relation to that vote:</p> <ul style="list-style-type: none"> • biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate; • details of any relationships that exist between the candidate and the Company or between the candidate and any director of the company; • Other public or material directorships held; • particulars of other positions which involve significant time commitments or actual or potential conflicts; • the term of office currently served by any directors subject to re-election; and • any other particulars required by law.
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their</p>	<p>The Company has a written agreement with each of its directors setting out the terms of their appointment.</p>

	appointment.	
1.4	The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	The Secretary is accountable to the Board through the Chairman on all governance matters and on all matters to do with the proper functioning of the Board. The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes, procedures and policies run efficiently and effectively.
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity’s diversity policy and its progress towards achieving them and either:</p> <p>(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>(a) The Company has established a Diversity Policy as part of its Corporate Governance Plan. The Policy details the Board’s commitment to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences can bring to the Company. The Company has a commitment to gender diversity and female participation will be sought in all areas at the appropriate time. Decisions relating to promotion, leadership development and flexible work arrangements will be based on merit and reinforce the importance of equality in the workplace. Ongoing monitoring of company policies and culture will be undertaken to make sure they do not hold any group back in their professional development.</p> <p>(b) A copy of the Company’s Diversity Policy is available on the Company’s website and a summary is included in this Corporate Governance Statement.</p> <p>(c) The Company will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so. The Board will, at least once per year, review the policy to determine its adequacy for current circumstances and make recommendations to the Board for amendment where required. The Company’s Corporate Governance Statement each year will contain an update on the Company’s compliance with the ASX’s recommendations and the Company’s Diversity Policy.</p> <p>(1) The composition of the Board is monitored and reviewed annually in respect of size, diversity and membership to ensure that the Board has a balance of skill and experience appropriate to the needs of the company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background. As at the date of this Corporate Governance Statement the Company has 17 women (down from 42 last year) employed including 4 in a senior management position (up from 1 last year). The number of women employed within the organisation will be reviewed annually including as against previous levels of employment in past years to ensure appropriate representation at all levels and access to all available skill sets.</p> <p>(2) The entity is not a “relevant employer”.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether</p>	<p>(a) The Board has a process for periodically evaluating the performance of the Board which is contained within the Company’s Board Charter. The Board Charter states that the Board will review the performance of individual directors annually with the assistance of the Nomination and Remuneration Committee. The evaluation covers but is not limited to evaluating the performance in adherence to the Formal Board Charter, defining the professional development requirements of individual Board Members and to set Board objectives and KPI’s for the upcoming</p>

	<p>a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>year.</p> <p>(b) As reported in conjunction with the release of the Company’s Corporate Governance Statement to the ASX on 16 October 2015 the Board undertook a formal review and evaluation (Review) of its performance in in 2015 in accordance with but not limited to, the criteria outlined in the Board Charter. The Review was conducted by way of a series of questionnaires containing 61 questions on various topics, the terms of which were agreed by all directors in advance. The responses from the questionnaires were reviewed and collated by the Company Secretary in conjunction with the Chairman and a report was published by the Company Secretary to the Board with responses falling into the following categories:</p> <ol style="list-style-type: none"> 1. Summary of Responses including, for each response, the highest, lowest and average score for each question. 2. Ranking of Response categories from ‘Excellent’ to ‘Below Average’. 3. Areas the Board perceives it is doing well. 4. Areas the Board perceives it is not doing well. 5. Areas of greatest diversity in responses. <p>The results of the Review were then discussed by the Board at the next Board meeting with a series of recommendations agreed on how to better the Board’s performance and improve its interactions with management and shareholders. Throughout the course of the following year the Board regularly reviewed its performance as against the findings from that review in June 2015. The Board undertook an informal Board review (not in accordance with the criteria or process outlined above), in mid-2017 and proposes to undertake another formal Board review in the next 12 months based on the same review and evaluation procedure outlined above.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>(a) The Chairman is responsible for the:</p> <ul style="list-style-type: none"> • evaluation and review of the performance of the Board and its committees (other than the Chairman); and • evaluation and review of the performance of individual directors (other than the Chairman); <p>The Chairman should disclose the process for evaluating the performance of the Board, its Committees and individual directors.</p> <p>The Board (other than the Chairman) is responsible for the:</p> <ul style="list-style-type: none"> • evaluation and review of the performance of the Chairman; and • review of the effectiveness and programme of Board meetings. <p>The process for the performance evaluation of the Board, its Committees and Directors generally involves an internal review. From time to time as the Company’s needs and circumstances require, the Board may commission an external review of the Board, and its composition.</p> <p>The CEO is responsible for the review of the performance of senior executives</p> <p>(b) As particularised in the reporting in 1.6 herein, in June 2015 the Board undertook a formal Review of its performance in accordance with but not limited to, the criteria outlined in the Board Charter and an informal Board review in mid-2017. A further review of the performance of the CEO and former MD were undertaken as part of the</p>

		annual review of senior executives.
	<u>Principle 2 Recommendations:</u>	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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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>(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>(a) The Board has established a Nomination and Remuneration Committee.</p> <ol style="list-style-type: none"> (1) the membership of which comprises Mr Haines, (independent non-executive director and committee chair) and Mr Kelton (independent non-executive chairman and committee member). The selection and appointment of new directors is done with reference to the Nomination and Remuneration Committee Charter which is available on the company website. (2) The committee is chaired by Mr Haines who is an independent non-executive director. (3) A copy of the Committee Charter is available on the Company’s website. (4) The members of the Committee are as disclosed herein. (5) The Committee did not hold a formal meeting throughout the year but did meet informally with each member attending to discuss matters subsequently resolved via circular resolution where required. <p>(b) Not applicable.</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>Details of directors, including their time in office, qualifications, experience and special responsibilities are set out in the Directors’ Report. The following principles and guidelines are considered in assessing the composition of the Board:</p> <p>Company’s Board Charter stipulates that the Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:</p> <ul style="list-style-type: none"> • accounting; • finance; • business; • the Company’s industry; • CEO-level experience; and • relevant technical expertise. <p>The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.</p>

		<ul style="list-style-type: none"> • The Board determines the optimal number of Board members ranging from a minimum of three to a maximum of 12 members as stipulated in the company constitution. • The Board should include directors with a broad range of industry, management and professional experience. • Ideally the Board should comprise a majority of independent directors. The Board will appoint a Chairman who is a Non-executive director and independent, as defined by the Company’s Criteria on Independence of Directors.
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>(a) The Board currently comprises four directors including an independent Chairman who is also separate from the CEO and MD. The directors in office and their status are:</p> <ul style="list-style-type: none"> • Mr Drew Kelton, Non-executive independent Chairman; • Mr David Haines, Non-executive independent Director; • Mr Neil Wiles, CEO & Managing Director; and • Mr Chris Thorpe, Non-Executive Director, CEO. <p>(b) There are no special relationships held by any of the independent directors that affect their status as independent directors. In determining whether a director is independent, the Board conducts regular assessments and has regard to whether a director is considered to be one who:</p> <ul style="list-style-type: none"> • is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company; • is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board; • has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided; • is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and • has a material contractual relationship with the company or another group member other than as a director. <p>The Board has previously determined that a material relationship is to be determined on the basis of fees paid or moneys received or paid to either a director or a director-related entity, which may impact the EBITDA of the company in the previous financial year by more than 5%.</p>

		<p>(c) Drew Kelton – Appointed 1 July 2010</p> <p>Neil Wiles – Appointed 18 July 2017</p> <p>David Haines – Appointed 23 May 2001</p> <p>Chris Thorpe – Appointed 23 May 2001.</p>
2.4	A majority of the Board of a listed entity should be independent directors.	Only 2 members of the Board comprising Messrs Kelton and Haines are independent directors with Mr Wiles being the CEO & Managing Director and Mr Chris Thorpe previously holding the position of executive director and, therefore, not considered to be independent.
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.	The Company's Chairman, Mr Drew Kelton, is an independent director and is not the Company's CEO or MD.
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 Board aims to implement an appropriate yet informal induction and education process for new Board appointees to enable them to gain a better understanding of:</p> <ul style="list-style-type: none"> • the Company's financial, strategic, operational and risk management position; and • the rights, duties and responsibilities of the directors. <p>Paragraph 6.3 of the Company's Board Charter which deals with the induction and continuing education process for Directors and Senior Executives provides:</p> <p>The Board must implement an appropriate induction and education process for new Board appointees and Senior Executives to enable them to gain a better understanding of:</p> <ol style="list-style-type: none"> (1) the Company's financial, strategic, operational and risk management position; (2) the rights, duties and responsibilities of the directors; (3) the roles and responsibilities of Senior Executives; and (4) the role of Board committees.
<u>Principle 3 Recommendations:</u>		Act Ethically and Responsibly
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>(a) As part of the Board's commitment to the highest standard of conduct, the company adopts a Code of Conduct which clarifies to directors, management and employees the standards of ethical behaviour required in carrying out their duties and responsibilities.</p> <p>(b) The Code of Conduct provides:</p> <ol style="list-style-type: none"> 1. Directors and Senior Executives must act honestly, in good faith and in the best interests of the Company as a whole at all times. 2. Directors and Senior Executives have a duty to use due care and diligence in fulfilling the functions of

		<p>office and exercising the powers attached to that office.</p> <ol style="list-style-type: none"> 3. Directors and Senior Executives must always use the powers of the office for a proper purpose. 4. Directors and Senior Executives must recognise that their primary responsibility is to the Company’s members as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company. 5. Directors and Senior Executives must not make improper use of information acquired as a Director or Senior Executive. 6. Directors and Senior Executives must not allow personal interests, or the interests of any Associated Person, to conflict with the interests of the Company. 7. Directors and Senior Executives have an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board. 8. Confidential information received by a Director or Senior Executive in the course of the exercise of Directors and Senior Executives duties remains the property of the company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or required by law. 9. Directors and Senior Executives should not engage in conduct likely to bring discredit upon the Company. <p>Directors and Senior Executives have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.</p> <p>A copy of the Code of Conduct is available on the company’s website. The company has adopted a share trading policy prohibiting directors and senior executives from trading in the company’s securities from the balance date until the second trading day after the Company’s half yearly results and yearly results and any other period where they are in possession of price sensitive information not released to the market. A copy of the Securities Trading Policy is available on the company’s website.</p>
<u>Principle 4 Recommendations:</u>		Safeguard Integrity in Corporate Reporting
4.1	<p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p>	<p>(a) The Board maintains an Audit Committee.</p> <p>(1) The audit committee has two members being Mr David Haines (Chair) and Mr Drew Kelton (Member), both of whom are non-executive independent directors.</p> <p>(2) The audit committee is chaired by an independent director, Mr David Haines.</p>

	<p>(2) is chaired by an independent director, who is not the chair of the Board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <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>(3) The Audit Committee has a formal Charter, a copy of which is available on the company’s website. The committee’s primary objective is to assist the Board in fulfilling its responsibilities concerning the accounting and reporting practices of the company and its subsidiaries, the consideration of matters relating to the financial affairs of the company and its subsidiaries and examination of any other matters referred to it by the Board. The Audit Committee is also responsible for assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor’s independence. Each reporting period, the external auditor provides an independence declaration in relation to the audit. The number of meetings attended by the Audit Committee members is disclosed in the Directors’ Report.</p> <p>(4) The relevant qualifications and experience of each of the audit committee members is contained within the Directors’ report.</p> <p>(5) During the year the audit committee met twice times with attendance as follows:</p> <p><u>Audit Committee Meeting:</u></p> <table border="1"> <thead> <tr> <th><u>Name:</u></th> <th><u>Entitled to Attend:</u></th> <th><u>Attended:</u></th> </tr> </thead> <tbody> <tr> <td>David Haines</td> <td>2</td> <td>2</td> </tr> <tr> <td>Gavin Whyte</td> <td>2</td> <td>2</td> </tr> <tr> <td>Drew Kelton</td> <td>2</td> <td>2</td> </tr> </tbody> </table>	<u>Name:</u>	<u>Entitled to Attend:</u>	<u>Attended:</u>	David Haines	2	2	Gavin Whyte	2	2	Drew Kelton	2	2
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David Haines	2	2												
Gavin Whyte	2	2												
Drew Kelton	2	2												
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>Pursuant to section 295A of the <i>Corporations Act</i>, the Chief Executive Officer and the Chief Financial Officer confirm in writing to the Board, who subsequently state in writing to the external auditors, that the financial records of the company have been properly maintained, the financial statements are prepared in accordance with relevant accounting standards, present a true and fair view, and that the integrity of the financial reports is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies prescribed by the Board.</p>												
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company ensures that the Auditor attends the AGM each year and is available to answer any question from shareholders either at the AGM or submitted in writing prior to the AGM.</p>												
<u>Principle 5 Recommendations:</u>		Make Timely and Balanced Disclosure												

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>(a) The Board is committed to ensuring price sensitive information is released to the ASX in accordance with continuous disclosure requirements per ASX Listing Rule 3.1 and also in accordance with corresponding provisions contained in the <i>Corporations Act</i>. All reports made to the ASX are published on the company's website (www.mobileembrace.com). The company complies with the continuous disclosure obligations of the ASX Listing Rules and, in doing so, immediately notifies the market of any material price sensitive information. The Company Secretary has been nominated as the person with primary responsibility for communication and liaison with the ASX in relation to ASX Listing Rules and continuous disclosure issues. The Company Secretary also has responsibility for ensuring internal compliance with those ASX Listing Rules and the oversight of information released to the ASX and shareholders.</p> <p>(b) The framework and obligation for the Directors to comply with the continuous disclosure obligations under the ASX Listing Rules is embedded throughout the Company's corporate governance policies and a separate policy dealing solely with continuous disclosure was introduced in December 2015 and has been available on the Company's website since that time.</p>
<u>Principle 6 Recommendations:</u>		Respect the Rights of Security Holders
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Board is committed to providing effective lines of communication for shareholders and all other stakeholders to easily access company information and all relevant information is available on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in sections 5.1 of this 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.	<p>The following channels of communication have been adopted to facilitate the fair, timely and cost effective dissemination of information:</p> <ul style="list-style-type: none"> • Annual General Meetings and any other formally convened company meetings. Shareholders are encouraged to participate in general meetings and are invited to put questions to the Chairman of the Board in that forum. • Company website at (www.mobileembrace.com) which enables broader access to company information by investors and stakeholders. Copies of annual and half-year financial reports as well as all other announcements made to the ASX such as company presentations are posted after disclosure to the market. • Annual report, which is available to all shareholders. • Direct communication – the company may also communicate with shareholders, on matters of significance, directly via mail, or e-mail. • Shareholders are entitled to vote on significant matters impacting on the business, which include election and remuneration of directors and changes to the constitution.

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.	Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website and may electronically lodge proxy instructions for items to be considered at the Company's AGM and any relevant EGM.												
<u>Principle 7 Recommendations:</u>		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> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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>(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>(a) The Board has established a formal charter, which provides an appropriate framework to monitor risks and threats faced by the company. The Board and the Audit Committee are responsible for adherence to the charter. The operational and financial aspects of the company's activities, including risk management, are monitored by the Board and the Audit Committee. Through the Audit Committee the Board considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks that face the company.</p> <p>The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the company has an appropriate internal control environment in place to manage the key risks identified.</p> <p>Having regard to the size of the company, the Board has required management to design and implement the risk management and internal control system outlined above to manage the company's material business risks and report to it on whether those risks are being managed effectively.</p> <p>Management has reported to the Board as to the effectiveness of the company's management of material business risks. Senior management is responsible for the implementation of appropriate controls and risk mitigation strategies as directed. The Board receives monthly reporting relating to the financial position and performance of the consolidated entity.</p> <p>(1) The Committee has 2 members, both of whom are independent.</p> <p>(2) The Committee is chaired by Mr David Haines, an independent director.</p> <p>(3) A copy of the Committee's Charter is available on the Company's website.</p> <p>(4) The members of the Committee are Mr David Haines (Chair) and Mr Drew Kelton (Member).</p> <p>(5) Audit Committee Meeting Attendances:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Name:</u></th> <th style="text-align: center;"><u>Entitled to Attend:</u></th> <th style="text-align: center;"><u>Attended:</u></th> </tr> </thead> <tbody> <tr> <td>David Haines</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Gavin Whyte</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Drew Kelton</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> </tr> </tbody> </table>	<u>Name:</u>	<u>Entitled to Attend:</u>	<u>Attended:</u>	David Haines	2	2	Gavin Whyte	2	2	Drew Kelton	2	2
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David Haines	2	2												
Gavin Whyte	2	2												
Drew Kelton	2	2												
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</p>	<p>(a) This task is undertaken by the Board.</p> <p>(b) No formal review took place during the reporting period but risk is an item which is considered at each Board meeting as well as in conjunction with the half and full year financial reporting.</p>												

	such a review has taken place.	
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>(a) The Company has an internal audit function being its Chief Financial officer, Mr Simon Allison, who oversees the Company's accounting and financial needs including reporting to the Board.</p> <p>(b) The Company's risk controls are the subject of review by the Company's auditors twice each year in conjunction with the half year review and full year audit.</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>The Company is not aware of any specific material risk but has key internal controls for the management of risk which include:</p> <ul style="list-style-type: none"> • Integrate risk management into all facets of its business; • Use risk management techniques as an integral part of decision making; • Ensure that all material risks are identified and objectively assessed against accepted criteria and that effective controls measures are implemented and maintained; • Ensure that its employees and contractors are informed about this policy and their responsibilities for its implementation; • Implement effective crisis management and business continuity plans; • Implement effective financing strategies (including insurance) for the transfer of residual risk; • Continually strive to improve the Company's performance and periodically review performance to identify areas for improvement; • Comply with all applicable laws, regulations, internal policies and contractual obligations as a minimum standard; • Adopt appropriate due diligence procedures for acquisitions and divestments; and • Monitor its annual budgeting and monthly reporting systems.
	<u>Principle 8 Recommendations:</u>	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>a) The Board has established a Nomination and Remuneration Committee.</p> <p>(1) the membership of which comprises Mr Haines, (independent non-executive director and committee chair) and Mr Kelton (independent non-executive chairman and committee member). The selection and appointment of new</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>directors is done with reference to the Nomination and Remuneration Committee Charter which is available on the company website.</p> <p>(2) The committee is chaired by Mr Haines who is an independent non-executive director.</p> <p>(3) A copy of the Committee Charter is available on the Company’s website.</p> <p>(4) The members of the Committee are as disclosed herein.</p> <p>(5) The Committee did not meet formally throughout the year.</p> <p>(b) Not applicable.</p>
8.2	<p>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>	<p>The Committee distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. The Company’s Constitution and the Corporations Act also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).</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>(a) A summary of the Company’s policy on prohibiting transactions in associated products which operate to limit the risk of participating in invested entitlements under any equity based remuneration scheme is contained within the Remuneration Committee Charter.</p> <p>(b) Paragraph 6.2 (3) of the Company’s Remuneration Committee Charter states: <i>“...The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with the Company’s constitution and any thresholds approved by the Company’s shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration. The terms of such schemes should clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in invested entitlements under these schemes. The exercise of any entitlements under these schemes should be timed to coincide with any trading windows under the Company’s securities trading policy...”</i></p>
END OF CORPORATE GOVERNANCE STATEMENT		