

## Appendix 4G

# Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

**QANTM INTELLECTUAL PROPERTY LIMITED**

ABN/ARBN

**612 441 326**

Financial year ended

**30 June 2018**

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- these pages of our annual report: \_\_\_\_\_
- this URL on our website: <http://qantmip.com/about-qantm/governance/>

The Corporate Governance Statement is accurate and up to date as at 28 August 2018 and has been approved by the board.

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



**HASAKA MARTIN**  
Company Secretary  
**28 August 2018**

<sup>1</sup> 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.

<sup>2</sup> “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.

<sup>3</sup> 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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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 <b>OR</b></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><a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></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 <b>OR</b></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 <b>OR</b></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 <b>OR</b></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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
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>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><input checked="" type="checkbox"/> <a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></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 <b>OR</b></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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
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; <b>OR</b></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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore 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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>2.3 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 <b>OR</b></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 <b>OR</b></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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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 <b>OR</b></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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
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 <b>OR</b></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 <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (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 <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (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: (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 meetings; <b>OR</b> (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	<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 checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></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><a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>In the Company's 2018 Annual Report</p> <p>[If the entity complies with paragraph (b):]</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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
	the external auditor and the rotation of the audit engagement partner.	<p>... 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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location: <a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p>	<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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...	
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p>✓ at this location:  <a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p>	<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.	<p>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <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
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>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
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>[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>✓ in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:  _____</p> <p><i>Insert location here</i></p>	<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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<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; <b>OR</b></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>... and a copy of the charter of the committee:</p> <p>✓ at this location:</p> <p><a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p>✓ at this location:</p> <p>In the Company's 2018 Annual Report</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 type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>7.2 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>... the fact that we follow this recommendation:</p> <p>✓ in our Corporate Governance Statement <b>OR</b></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>7.3 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; <b>OR</b></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>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>[If the entity complies with paragraph (b):]</p> <p>... 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:</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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
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.	<p>... 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:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <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
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>		
8.1 The board of a listed entity should: (a) have a remuneration committee which: (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; <b>OR</b> (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>[If the entity complies with paragraph (a):]  ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):  <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i></p> <p>... and a copy of the charter of the committee:  <input checked="" type="checkbox"/> at this location:  <a href="http://qantmip.com/about-qantm/governance/">http://qantmip.com/about-qantm/governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input checked="" type="checkbox"/> at this location:  In the Company's 2018 Annual Report</p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity 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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
	composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	
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.  ... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.  ... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <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 <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>		
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.  ... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <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 <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
<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 <b>OR</b></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>

The Directors and Management of Qantm Intellectual Property Limited (the **Company**) and its controlled entities (the **Group**) are committed to conducting the 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 2018. This statement identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations. This statement is current as at 28 August 2018 and has been approved by the Board of the Company.

The Board is responsible for the overall corporate governance of the Company including overseeing the application of appropriate policies and procedures designed to ensure that the Company is properly managed to protect and enhance shareholder interests and is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of Qantm.

The Company's corporate governance policies and charters are available on the Company's website (<http://qantmip.com/>) (**Website**)

## **PRINCIPLE 1 – THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

### **Recommendation 1.1 Role and Responsibilities of the Board and management and delegation**

The Board is accountable to the Company's shareholders and has overall responsibility for the performance of the Company, monitoring the execution of the Company's strategy, and the implementation of sound corporate governance policies and practices. The Company has adopted a Board Charter (which is available on the Company website) that formally sets out the functions and responsibilities of the Board. This enables the Board to perform its role more effectively and creates a system of checks and balances to provide a balance of authority.

The Chief Executive Officer/Managing Director (**CEO/MD**) oversees the day-to-day management of the business. The CEO/MD has been delegated the authority to manage QANTM in accordance with the strategy, plans and policies approved by the Board. These delegations are periodically reviewed by the Board and were reviewed and updated during the financial year.

Responsibilities specifically delegated to the CEO/MD are outlined in the Board Charter.

### **Recommendation 1.2 Director election and re-election**

The composition, structure and proceedings of the Board are primarily governed by the Constitution and the laws governing corporations in jurisdictions where QANTM operates. The

Company endeavors to maintain a Board that comprises a majority of independent Non-Executive Directors, which is currently in place. QANTM undertakes appropriate due diligence in respect of prospective candidates before appointing a person, or proposing to its shareholders a candidate, as a director.

The Company provides information to shareholders about Directors seeking re-election or about candidates for election as a Director preceding the annual general meeting to enable them to make an informed decision on whether or not to re-elect or elect the Director, including:

- information to shareholders about the candidate to enable them to make an informed decision on whether or not to elect the candidate;
- their relevant qualifications and experience and the skills they bring to the Board;
- 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 to act in the best interests of the Company and its shareholders generally;
- the term of office already served by the Director (if applicable);
- 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 re-election or election of the Director.

In issuing a recommendation, the Board assesses the contribution of the Director to the Board for candidates seeking re-election; and obtains an assurance from the candidate that they have the capacity to actively contribute to the role.

**Recommendation 1.3          A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment**

QANTM has agreements with each director and senior executive, which outlines the terms of their appointment. Each of QANTM's directors has signed a letter of appointment and each of QANTM's senior executives is employed under employment agreements.

**Recommendation 1.4          The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board**

The Company Secretary is responsible for co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, ASX and all statutory and other filings. Further detail of The Company Secretary's role is set out in the Board charter.

The appointment and removal of the Company Secretary is a matter for decision by the Board.

The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

### **Recommendation 1.5      Diversity Policy, objectives and measurement**

The Company is committed to creating an inclusive culture where differences are valued. The Company's Diversity and Inclusion Policy:

- (a) supports QANTM's commitment to an inclusive workplace that embraces and values diversity;
- (b) provides a framework for new and existing diversity-related initiatives, objectives, strategies and programs within the businesses of QANTM; and
- (c) supports the commitment of QANTM to informing shareholders regarding its progress towards implementation and achievement of its diversity objectives.

Under the policy, the People, Remuneration and Culture Committee is charged with:

- Annually reviewing and assessing both the measurable objectives for achieving diversity set by the Board; and
- QANTM's progress in achieving them.

Qantm and the Group are committed to enhancing diversity through achieving the following objectives:

- (i) Increasing awareness across the Group about diversity and the benefits of a diverse and inclusive workforce.
- (ii) Increasing diversity at senior levels across the Group.
- (iii) Implementing policies which support and promote working flexibly are in place, understood and promoted across the Group.
- (iv) Striving for a workplace free from discrimination and sexual harassment through ongoing training and a robust approach to complaint resolution.
- (v) Addressing systemic and individual unconscious biases in order to create a diverse and inclusive culture, to reduce the potential for unconscious bias in decision making.
- (vi) Engaging with our people in the development and implementation of the diversity and inclusion programs through our working party.
- (vii) Integrating diversity and inclusion considerations and content into our business processes and practices with particular focus on people and talent management, client relations and business development, communications and supplier diversity.
- (viii) Being an active participant supporting diversity in the IP community, with a focus on the fields on law, science, technology, engineering and mathematics.



As at 31 March 2018, the proportion of women and men were as follows:

Category	Men	Women
Board	60%	40%
Senior Managers/Executives*	59%	41%
Whole Organisation	32%	68%

\*includes professional staff

As a “*relevant employer*” under the Workplace Gender Equality Act 2012 (**WGEA**), QANTM has submitted a Workplace Gender Equality Report for the 2017/2018 reporting period. The submission includes details of the Company’s Gender Equality Indicators and is available on the website.

**Recommendation 1.6 Evaluation of the performance of the Board, its Committees and individual Directors**

The Directors undertake an annual process to review the performance and effectiveness of the Board and individual directors. The Company Secretary oversees this process. As part of the review, each Director completes a questionnaire relating to the Board’s role, composition, procedures, practices and behavior. The questionnaires are confidential. The Chairman leads a discussion of the questionnaire results with the Board as a whole and provides feedback to individual Directors as necessary.

A performance evaluation in accordance with the above set out process was undertaken during the reporting period.

**Recommendation 1.7 Senior executive performance and evaluation**

The People, Remuneration and Culture Committee is responsible for setting the performance criteria for senior executives, communicating those criteria to the executives and for assessing their performance against those criteria.

The People, Remuneration and Culture Committee annually conducts a performance evaluation of the Managing Director to assess whether the MD has met his key performance indicators set in the previous year using a balanced scorecard approach.

Further information on the Key Management Personnel’s performance measures and assessments can be found in the Remuneration Report contained in the Annual Report.

**PRINCIPLE 2 – THE BOARD IS STRUCTURED TO ADD VALUE**

**Recommendation 2.1 Nomination Committee**

The ultimate responsibility for the oversight of the operations of the Company rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board in accordance with the Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Board has established the following committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees will be reviewed on an annual basis:

- Audit, Risk and Compliance Committee – to protect the integrity of financial statements and review and monitor the Company’s risk management framework (further details of which are discussed below);
- People, Remuneration and Culture Committee – to ensure that the Company remunerates fairly and responsibly, and assist the Board in nomination matters (further details of which are discussed below); and
- Market Disclosure Committee – to assist in determining the Company’s disclosure obligations. The responsibilities of this committee are outlined in the Market Disclosure Protocol Policy.

Each of these committees operate in accordance with specific charters or policies approved by the Board which can be found on the Company’s website.

The applicable composition requirements and current membership of each of the Board committees are set out below:

Board Committee	Composition Requirements	Membership
Audit, Risk and Compliance Committee	At least three members, all of whom are non-executive and independent. The chairman should be an independent non-executive director. All members should be financially literate and at least one member must have financial expertise and some members must have an understanding of the industry in which QANTM operates.	<ul style="list-style-type: none"> <li>▪ Abigail Cheadle (Chair);</li> <li>▪ Cameron Judson; and</li> <li>▪ Sonia Petering.</li> </ul>
People, Remuneration and Culture Committee	At least three members, the majority of whom are independent, non-executive directors. The chairman should be an independent – non-executive director.	<ul style="list-style-type: none"> <li>▪ Cameron Judson (Chair);</li> <li>▪ Abigail Cheadle; and</li> <li>▪ Sonia Petering.</li> </ul>

Market Disclosure Committee	The Board, the CEO/MD, the CFO and the Company Secretary. The quorum for a meeting of the committee is 3 members and must include the chair of the Board or the CEO/MD.	<ul style="list-style-type: none"> <li>▪ All directors;</li> <li>▪ CEO;</li> <li>▪ CFO; and</li> <li>▪ Company Secretary.</li> </ul>
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The number of Committee meetings held and attended by each member is disclosed in the “Meetings of directors” section of the Directors report.

QANTM does not have a separate Nomination Committee, the Board is charged with those responsibilities that a Nomination Committee would ordinarily deal with.

Under the Board Charter, the Board has the following specific nomination responsibilities:

- (a) Identifying and recommending to the Board candidates for the Board including the Managing Director;
- (b) Identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- (c) Establishing processes for identifying suitable candidates for appointment to the Board to facilitate an appropriate mix of expertise, experience and to support succession of the Board;
- (d) Prepare, review and update on a regular basis director’s education and skills enhancement program;
- (e) Ensuring that succession plans for Board and senior executives are in place. A report on these plans is to be prepared and submitted to the Board at least once per year; and
- (f) Recommending the removal of directors.

**Recommendation 2.2 Board skills**

The skills matrix is reviewed annually by the Board to ensure that ongoing needs in relation to supervising the Company and its operations are being met, and to take into account any changes in the Company’s circumstances and strategic priorities.

The objectives of the skills matrix adopted by the Board are to:

- Identify the skills, knowledge, experience and capabilities that are considered to be desired of the Board as a whole, in order for the Board to fulfill its role and in light of the Company’s strategic direction;
- Ascertain the current skills, knowledge, experience and capabilities of the Board, and

provide the incumbent Directors with an opportunity to reflect upon and discuss the current composition; and

- Identify any gaps in skills or competencies that can be addressed in future director appointments.

The Board considers that it currently has an appropriate mix of skills and that it comprises of directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. During the 2018 financial year, the Board assessed each Director's skills level against the following key skills set out in the matrix which the Board considered to be desired of the Board:

- Strategy;
- Finance;
- Operations;
- Industry Experience;
- Sales and Marketing;
- Capital Markets;
- Mergers and Acquisitions;
- People and Performance;
- Legal, compliance and risk management;
- Technology; and
- Corporate Governance

In addition to the skills and experience set out in table below, the Board considers that each director has the following attributes:

- Honesty and integrity;
- The ability to think strategically;
- The time available to devote to the business;
- A willingness to question and challenge; and
- A commitment to the highest standards of governance.

The full biographies of all directors are included in the Director's Report in the Annual Report.

### Recommendation 2.3 Director independence

At the date of this report, the Board comprises five directors as follows:

Director	Independent status	Appointment date
Richard England (Chairman)	Independent Non-Executive Director	17 May 2016
Leon Allen	Managing Director (not considered independent)	17 May 2016
Abigail Cheadle	Independent Non-Executive Director	9 June 2016
Cameron Judson	Independent Non-Executive Director	9 June 2016
Sonia Petering	Independent Non- Executive Director	9 June 2016

There are currently four Non-Executive Directors, Richard England, Abigail Cheadle, Cameron Judson and Sonia Petering, and the Board considers each of them to be independent. In determining the independence of a Director reference is made to the criteria established by the ASX Corporate Governance Council.

One of the Directors is a full-time executive of the Company, Mr Leon Allen. This Director is not considered independent by virtue of his position as an executive in the Company.

In determining whether the directors are independent, the Board has considered whether the Director:

- Is a substantial shareholder;
- Conducts themselves at arms-length in their engagement with the Company; and
- Brings their considerable skillsets to bear on matters before the Board.

In addition, in order to facilitate independent judgement in decision-making, each Director has the right to seek independent professional advice at the Company's expense.

The Board regularly assesses whether each Non-Executive Director is independent and if a Director's independence status changes, this is disclosed to the market in a timely manner.

Directors are required to keep the Board advised of any interest that may conflict with those of the Company, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate, when a conflict has been identified.

The Company has also entered into a deed of disclosure with each Director, which is designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests in QANTM securities. Directors and their nominated related party shareholdings are also monitored to identify changes that may require urgent disclosure.

Standing items at each Board meeting include:

- Director's Shareholding Register; and
- Director's Standing Notice Register.

**Recommendation 2.4 A majority of the Board of a listed entity should be independent directors**

Having regard to the response to Recommendation 2.3 above, the majority of the Board at the reporting date were independent.

**Recommendation 2.5 Chairman and CEO/MD**

The Board Charter requires the Chairman of the Board to be appointed by the directors, must be an independent non-executive director and may not be the same person as the CEO/MD.

The Board considers that Richard England, the Company's Chairman, is an independent Director and there is a clear division of responsibility between the Chairman and Mr Leon Allen, the CEO/Managing Director.

**Recommendation 2.6 Induction of directors and professional development**

The following protocols are in place to ensure that the Board is able to perform appropriately and discharge its duties efficiently:

- New Directors are fully briefed on the business, its financial position, any material risks, the structure and functions of the Board and the structure of Management and are provided with a copy of the Company's Corporate Governance documentation.
- Directors are given direct access to Management and the Company Secretary. These individuals are to provide directors with any and all information reasonably requested of them in a timely and comprehensive fashion.
- Directors are given the opportunity to seek reasonable independent, external advice at the Company's expense if circumstances warrant such advice and the Company offers Directors an opportunity to undertake relevant external professional development programs.

### **PRINCIPLE 3 – THE BOARD PROMOTES ETHICAL AND RESPONSIBLE DECISION MAKING.**

#### **Recommendation 3.1 QANTM Code of Conduct**

The Board recognises the need to observe the highest standards of corporate practice and business conduct and has adopted a formal Code of Conduct which is to be followed by the Board and any other employee who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of QANTM. The QANTM Code of Conduct (the **Code**) outlines the standards of conduct expected of the business and its people, taking into account the Company's legal and other obligations to its stakeholders.

The key aspects of this Code are to:

- Articulate the high standards of honesty, integrity, ethical and law abiding behaviours expected;
- Encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors);
- Manage any conflicts of interest;
- Comply and uphold all laws relating to bribery or corruption;
- Deal fairly and not take unfair advantage of others; and
- Protect QANTM's assets and ensure proper use.

A copy of the Code has been posted on the Company's website.

### **PRINCIPLE 4 – THE BOARD SAFEGUARDS INTEGRITY IN CORPORATE REPORTING**

#### **Recommendation 4.1 Audit, Risk and Compliance Committee**

An independent Audit, Risk and Compliance Committee has been established by the Board to protect the integrity of financial reports as well as to monitor and review the effectiveness of the Company's structures in the areas of operational risk and legal and regulatory compliance.

The Audit, Risk and Compliance Committee operates in accordance with a Charter adopted by the Board. The Charter sets out the roles and responsibilities as well as the structure and composition of the Audit, Risk and Compliance Committee. Pursuant to the Charter, which is available to view on the Company's website, the objectives of the Audit, Risk and Compliance Committee are to:

- Help the Board achieve its objective in relation to:
  - integrity of financial reporting;
  - the application of accounting policies;

- business policies and practices;
  - legal and regulatory compliance; and
  - effectiveness of QANTM's internal control and risk management systems.
- Maintain and improve the quality, credibility and objectivity of the financial process (including financial reporting on a consolidated basis);
  - Promote a culture of compliance;
  - Facilitate the appointment and review of the performance of external audit functions; and
  - Oversight of compliance strategies and compliance functions.

The Board is responsible for appointing members of the Audit, Risk and Compliance Committee. The Audit, Risk and Compliance Committee's current membership and the independence of the members and details of Audit, Risk and Compliance Committee meetings are set out earlier in this Statement. The number of Audit, Risk and Compliance Committee meetings held and attended by each member of the Committee is disclosed in the 'Meetings of directors' section of the Directors' report.

The full biographies of all directors are included in the Director's Report in the Annual Report.

#### **Recommendation 4.2 Declaration from CEO/MD and Chief Financial Officer (CFO) on Financial Statements**

In relation to the financial statements for the financial year ended 30 June 2018 and the half-year ended 31 December 2017, the Company's CEO/MD and CFO provided the Board with declarations that state in their opinion:

(a) With regard to the integrity of the financial report of QANTM:

- (i) The financial statements and associated notes comply in all material respects with the Accounting Standards as required by Section 296 of the Corporations Act 2001, Corporations Regulations, International Reporting Standards and other mandatory professional reporting requirements; and
- (ii) The financial statements and associated notes give a true and fair view, in all material respects, of the financial position as at balance date and performance of the Company for the period ended on the balance date as required by Section 297 of the Corporations Act 2001;

(b) With regard to the financial records and systems of risk management and internal compliance and control of QANTM for the period ended on the balance date:

- (i) the financial records of the Company have been properly maintained in accordance



with Section 286 of the Corporations Act 2001;

- (ii) the statements made in a) above regarding the integrity of the financial statements are founded on a sound system of risk management and internal compliance and control;
- (iii) the risk management and internal compliance and control systems of the Company relating to financial reporting objectives are operating effectively in all material respects; and
- (iv) subsequent to balance date, no changes or other matters have arisen that would have a material effect on the operation of risk management and internal compliance and control systems of the Company.

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.

#### **Recommendation 4.3 External auditor attendance at AGM**

The engagement partner for QANTM's external auditor attends the Company's annual general meeting and is available to answer questions from Shareholders on:

- the conduct of the audit and the preparation and content of the external auditor's report;
- accounting policies adopted by QANTM in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

#### **PRINCIPLE 5 – THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE**

##### **Recommendation 5.1 QANTM's Continuous Disclosure Obligations**

The Company has established a Market Disclosure Protocol Policy, a copy of which is posted on its website.

The objective of this policy is to:

- procure that the Company immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the Corporations Act;
- confirm officers and employees are aware of the Company's continuous disclosure obligations; and
- establish procedures for:
  - the collection of all potentially price-sensitive information;

- assessing if information must be disclosed to ASX under the ASX Listing Rules or the Corporations Act;
- releasing to ASX information determined to be price-sensitive information and to require disclosure; and
- responding to any queries from ASX (particularly queries under Listing Rule 3.1B).

The overarching principle of this policy is governed by Listing Rule 3.1, which requires the Company to immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of QANTM's quoted securities, provided that the information does not fall within the exception to disclosure under the Listing Rules. The Policy provides for the exceptions to Listing Rule 3.1 as outlined in Listing Rule 3.1A.

The Board is responsible for ensuring that QANTM complies with its continuous disclosure obligations. To assist the Board in this obligation, it has established a Market Disclosure Committee, the membership of which is outlined earlier in this Statement. It is a standing agenda item at all Board meetings to consider any information that must be disclosed to the ASX in accordance with the continuous disclosure obligations.

The Market Disclosure Committee is responsible for:

- (a) deciding if information should be disclosed to ASX subject to any decision of the Board;
- (b) procuring compliance with continuous disclosure obligations;
- (c) establishing a system to monitor compliance with continuous disclosure obligations and this protocol;
- (d) monitoring regulatory requirements so that this protocol continues to conform with those requirements;
- (e) monitoring movements in share price and share trading to identify circumstances where a false market may have emerged in Company Securities; and
- (f) making decisions about trading halts.

The Market Disclosure Policy also addresses media contact and comment, external communications including analyst briefings and responses to shareholder questions, and measures for responding to or avoiding the emergence of a false market in the Company's shares.

## **PRINCIPLE 6 – THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS**

### **Recommendation 6.1 Information to investors about QANTM**

QANTM informs shareholders of all major developments affecting the Group's state of affairs as follows:

- placing all relevant announcements made to the market, on the Company's website after they have been released to ASX;
- publishing all corporate governance policies and charters adopted by the Board on the Company's website;
- releasing information provided to analysts or media during briefings to ASX and placing such information on the Company's website; and
- placing the full text of notices of meeting and explanatory material on the Company's website.

### **Recommendations 6.2 and 6.3 Investor Relations and shareholder meetings**

The Company is committed to maintaining direct, open and timely communications with all shareholders. The Board's policy is that shareholders are informed of all material developments that impact on the Company.

Information is communicated to shareholders through:

- The publication of the annual and interim financial reports;
- Disclosures to the ASX;
- Notices and explanatory memoranda of general meetings;
- Updates and announcements to inform shareholders of key matters of interest issued on a needsbasis;
- Presentations to analysts (which are made available to all shareholders via the website); and
- The Annual General Meeting.

QANTM's annual general meeting will be held on 30 November 2018. An explanatory memorandum on the resolutions will be included with the notice of meeting and unless specifically stated in the notice of meeting, all shareholders will be eligible and are encouraged to vote on all resolutions. A copy of any investor presentation will be released to the ASX upon the commencement of the annual general meeting and the outcome of voting on resolutions at the meeting will be released to the market after the conclusion of the meeting. Both documents will also be posted on the Company website.

In the event that shareholders cannot attend formal meetings, they will be able to lodge a proxy in accordance with the Corporations Act by mail or online.

#### **Recommendation 6.4      Electronic communication with shareholders**

QANTM's shareholders are able to receive communications from and send electronic communications to QANTM and its security registry electronically.

The Company encourages stakeholders to make contact via the email address 'info@qantmip.com' as outlined, along with the share registry's contact details, under the 'Contact Us' tab on the Company's website.

### **PRINCIPLE 7 – THE BOARD RECOGNISES AND MANAGES RISK**

#### **Recommendations 7.1 and 7.2      Risk Committee and risk management framework**

The Board is responsible for ensuring that a sound risk management strategy and policies are in place. The Board has delegated to the Audit, Risk and Compliance Committee the responsibility for identifying and overseeing major risks and the establishment and implementation of the risk management system.

All material risks affecting the Company, including both financial and non-financial matters, are considered by the Audit, Risk and Compliance Committee. All Directors and senior management are encouraged to review the business for risk on an ongoing basis and to raise any risk issues of concern with members of the Audit, Risk and Compliance Committee. These protocols form the basis for the risk management system.

This committee reviews and assesses the Company's risk management framework annually and reviews the implementation, management and maintenance of appropriate enterprise-wide risk management systems, policies and procedures, reporting protocols and internal controls.

The Audit, Risk and Compliance Committee's current membership and the independence of the members are set out earlier in this Corporate Governance Statement.

The Company has controls at the Company and operating levels that are designed to safeguard the Company's interests and ensure the integrity of its reporting. These include accounting, financial reporting, tax risk management systems, safety, health and environment and other internal policies and procedures, which are directed at ensuring the Company fully complies with all regulatory requirements and community standards.

The Audit, Risk and Compliance Committee review the effectiveness of the risk management system on an ongoing basis. The Audit, Risk and Compliance Committee is responsible for ensuring that the appropriate senior managers have established and implemented a risk management system throughout the organisation.

In addition, the Company's external auditors provide the Audit, Risk and Compliance Committee with a report detailing any identified risk items at the completion of each half-year and full-year review. The Audit, Risk and Compliance Committee discuss the report together with the auditors

and any material items are referred to the Board.

In accordance with the Risk Management Framework, management conducted a review of the risk register and action plans for the year ended 30 June 2018. During the year ended 30 June 2017, an external party was engaged to conduct a risk assessment, including development of a risk profile, risk register and risk treatment plans.

In addition, consideration was given to an outsourced internal audit function to assist the committee in fulfilling its responsibilities under its charter.

**Recommendation 7.3 Internal audit**

The Company does not currently have a formal internal audit function; however, the Audit, Risk and Compliance Committee plans to review the appointment of an internal audit function to assist in the management of risk. Until an internal audit function is established, responsibility for risk management will be assigned to management, who will report directly to the committee as noted above.

**Recommendation 7.4 Exposure to Economic, Environmental and Social Sustainability Risks**

The Company is subject to risk factors that are both specific to its business activities and that are of a more general nature which could adversely affect the Company’s future development. Management and the Board seek to mitigate exposures to the Company and will continue to enhance response plans to address risks.

The following is a list of risks considered by Management to be the material risks which could impact the future financial performance of the Company:

<b>Risk</b>	<b>Description and Management of Risk</b>
Competition	<p>The Company operates in sectors that are subject to vigorous competition based on factors including price, responsiveness, service delivery, and the ability to provide clients with an appropriate range of IP services. Actions by existing competitors, entry of new competitors or failure by the Company to meet changing market conditions could adversely impact the Company’s competitive position which may result in a decline in Service Charges and margins of the Company, which may have a material adverse effect on the financial results.</p> <p>The Company undertakes a number of activities to provide effective client service, develop and enhance client relationships and continue to provide a broad range of IP services.</p>

Regulatory	<p>IP regulation is subject to ongoing change as it endeavours to stay apace with rapid technological advancement. Any material changes to the Australian or international legislation, regulations, treaties or general law in relation to the IP regime has the potential to adversely affect the Company.</p> <p>The Company continually monitors regulatory and legal issues affecting the Company's business and implements any changes to operations necessary to comply.</p>
Loss of key personnel	<p>The Company's senior executive team is instrumental in implementing the Company's strategies and executing business plans which support the business operations and growth. The loss of any key personnel, or a significant number of personnel may have an adverse effect on the Company.</p> <p>Service agreements are in place and the risk of the loss of key personnel is mitigated by regular reviews of remuneration packages (including short and long-term incentive schemes) and succession planning.</p>
Attract and retain high performing professionals	<p>The Company relies on maintaining its relationship with its high performing principals and professionals to offer a broad skill set to its clients. The inability to maintain high quality professionals could result in a loss of client work and a reduction in revenue.</p> <p>The Company seeks to maintain high performing professionals by a number of methods including opportunity for equity incentives (currently under development), access to a number of national and international conferences a fulfilling work environment and rewarding work.</p>
Professional liability	<p>The nature of IP services and legal services offered by the Company give rise to the risk of potential liability for negligence or other claims.</p> <p>The Company maintains file management and administrative management processes which are highly controlled and regularly reviewed together with quality assurance processes to ensure high level standards of professional service is maintained. The Company also has professional indemnity insurance.</p>

Foreign exchange risk	<p>A substantial part of the Company’s revenue is generated and expenses incurred in US dollars. An adverse change in the AUD/US dollar exchange rate could adversely impact revenue and earnings.</p> <p>The Company has foreign currency hedging facilities available as part of its bank facilities and monitors the foreign currency exposures that arise from its foreign currency revenue, expenditure and cash flows.</p>
Cyber Security	<p>QANTM takes cyber security and its potential consequences extremely seriously.</p> <p>The Company relies on software integration, interfaces and communication platforms to manage its businesses in an efficient manner and has comprehensive security arrangements in place to prevent attempted attacks. The application of automation and deeper integration is a key objective and accordingly the management of cyber security risk and continual improvement in system security is a significant priority for management. A serious breach of privacy caused by a cyber-attack could result in damage to brand reputation, financial loss and permanent loss of revenue. Levels of redundancy and backup are built into IT systems to provide system availability and protection of data.</p>
Acquisitions	<p>The Company’s growth strategy involves growth by potential acquisitions of other intellectual property businesses or lateral hires of professionals. There are risks of acquisitions or professionals hired not attaining benefits expected, or poor integration into the Company.</p> <p>The Company undertakes extensive due diligence of any potential acquisition target or lateral hire and engages professional experts to advise and assist where necessary.</p>
Environment	<p>Although no material environmental or social sustainability risks have been identified as an issue, and the environmental impact of the Company’s activities is minimal, the management of environmental risks is a key responsibility. The Company adopts the approach of a responsible corporate citizen with regard to environmental matters:</p> <ul style="list-style-type: none"> <li>• The disposal of packaging, office paper, computers and obsolete IT equipment is managed to ensure compliance with State legislation.</li> </ul>

- The use of paper is minimised by electronic client records wherever local legislation and operational process allows, reductions in marketing collateral and the elimination of hard copy Board and committee papers. Employees are encouraged to minimise the excessive use of paper and recycling activities are undertaken where possible.
- Progressive elimination of fax communications.
- QANTM is not a significant consumer of electricity, water or gas and accordingly the opportunities for material reductions in power consumption are limited.

## **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

### **Recommendation 8.1 People, Remuneration and Culture Committee**

The Company has established a People, Remuneration and Culture Committee, the objective of which is to assist the Board fulfill its statutory fiduciary and regulatory role and achieve its objectives that the Company:

- (a) has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- (c) observes those remuneration policies and practices; and
- (d) fairly and responsibly rewards executives having regard to the performance of QANTM, the performance of the executives and the general external pay environment.

The People, Remuneration and Culture Committee operates pursuant to a charter which can be found on the Company's website.

The Board appoints the members of the Committee. The People, Remuneration and Culture Committee's current membership and the independence of the members are set out earlier in this Statement.

The number of People, Remuneration and Culture Committee meetings held and attended by each member of the Committee is disclosed in the 'Meetings of directors' section of the Directors' report.

### **Recommendation 8.2 Remuneration of executive and non- executive directors and senior executives**



Details of the Directors and Key Senior Executives remuneration are set out in the Remuneration Report of the Annual Report.

The Company's policies are designed to attract and maintain talented and motivated employees as well as raising the level of performance of the Company.

Non-executive Directors are remunerated by way of fees which are set with reference to the prevailing market rates. They do not participate in the schemes designed for the remuneration of executives, nor do they receive bonus payments or any retirement benefits other than statutory superannuation.

### **Recommendation 8.3 - Equity based remuneration**

Equity based remuneration is made in accordance with the Qantm Employee Incentive Plan rules.

Participants in the incentive plan are not permitted to hedge or otherwise limit the economic risk of participating in the plan as detailed in the Share Trading Policy, a copy of which is available on the Company's website.

This Corporate Governance Statement was approved by the Board on 28 August 2018.