



**VAULT INTELLIGENCE LIMITED**

**2018 CORPORATE GOVERNANCE STATEMENT**

*ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*

## Corporate Governance Statement

ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*

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The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website under its "Corporate Governance" heading – <https://investors.vaultintel.com/company/corporate-governance/>

The Company intends to follow the ASX CGC P&R in all respects other than as specifically provided below.

However, notwithstanding the adoption of the Company's corporate governance charter, adherence to all aspects of the respective charters and the ASX CGC P&R remains an evolving "work in progress". The board continues to review policies to ensure best practice governance.

Each of the recommendations of the ASX CGC P&R which are/is not be followed by the Company and the reasons why they respectively are not followed, are set out below. Given the underlying issue and nature of the non-compliance with each of the recommendations and the intended temporal duration of the non-compliance, no alternate governance practices are intended to be adopted in lieu of each specified recommendation of the ASX CGC P&R.

This Corporate Governance Statement is current as at 13 November 2018 and has been approved by the Board.

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### Recommendation

### Current Practice

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#### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management.	Satisfied. The functions reserved for the Board and delegated to senior executives have been established.
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (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	Satisfied. Appropriate checks have been undertaken. All material information that the Company has in its possession has been disclosed (Annual Report)
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Satisfied. Agreements are in place.
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 proper functioning of the board.	Satisfied. This practice is in place.
1.5	A listed entity should: (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;	Satisfied.

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<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>Satisfied, see corporate governance section of website.</p> <p>Not satisfied. The measurable objectives are yet to be set.</p> <p>Board – 80% men. 20% women Senior executives – 100% men Whole organisation – 70% men and 30% women along with ethnic diversity. This remains "work in progress".</p>
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<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Satisfied, see process in corporate governance policies.</p> <p>Not satisfied. Only informal evaluations have been undertaken to date.</p>
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<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Satisfied, see process in corporate governance policies.</p> <p>Not satisfied. No evaluations have been undertaken to date. Performance evaluation process and new contracts are currently being implemented.</p>
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**PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE**

<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Not Satisfied.</p> <p>The board has not established a nomination committee as the role of the committee will be undertaken by the full board.</p> <p>A Nomination Committee Charter has been adopted.</p> <p>To be developed and will be revisited when the need and level of operations of the company allow/require it.</p>
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<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Satisfied. See corporate governance section of website.</p>
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2.3	A listed entity should disclose:	
	(a) the names of the directors considered by the board to be independent directors;	Evonne Collier, Ross Jenkins, David Rose and Robert Kirtlan are considered to be independent
	(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	Refer to details in the Annual Report.
	(c) the length of service of each director.	Robert Kirtlan was appointed in 2011, David Rose was appointed in 2017, Evonne Collier and Ross Jenkins were appointed in 2018.
2.4	A majority of the board should be independent directors.	Satisfied. There are 4 independent directors.
2.5	The chair should be an independent director.	Satisfied.
	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	Satisfied.
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.	Satisfied.

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### PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

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3.1	A listed entity should:	
	(a) have a code of conduct for its directors, senior executives and employees; and	Satisfied. The Code of Conduct is available at <a href="http://www.vaultintel.com">www.vaultintel.com</a> in the Corporate Governance Section.
	(b) disclose the code or a summary of it.	

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### PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

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4.1	The board of a listed entity should:	
	(a) have an audit committee which:	Satisfied.
	(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	The board has an audit committee. It consists of 4 independent directors.
	(2) is chaired by an independent director, who is not the chair of the board,	Satisfied.
	and disclose:	
	(3) the charter of the committee;	The audit committee charter is available at <a href="http://www.vaultintel.com">www.vaultintel.com</a> in the Corporate Governance Section
	(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; or	Qualifications and experience of members of the Audit Committee are found under the directors' profile in both the Annual Report and on the Company's website under the heading Directors.
	(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	Details of meetings of the audit committee are to be found in the Annual Report

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external auditor and the rotation of the audit engagement partner.

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4.2 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. Satisfied.

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4.3 A listed entity should ensure its external auditor attends its AGM. Satisfied.

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#### **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

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5.1 A listed entity should:

(a) Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclosure that policy or a summary of it.

Satisfied.

Continuous disclosure policy is available at [www.vaultintel.com](http://www.vaultintel.com). Satisfied - in the Corporate Governance Section.

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#### **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

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6.1 A listed entity should provide information about itself and its governance to investors via its website. Satisfied.

See [www.vaultintel.com](http://www.vaultintel.com) in the Corporate Governance Section.

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6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. Satisfied. See [www.vaultintel.com](http://www.vaultintel.com) in the Corporate Governance Section.

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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. Satisfied. See communication policy at [www.vaultintel.com](http://www.vaultintel.com) in the Corporate Governance Section.

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6.4 A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically. Satisfied. Orchestrated via the share registry service (welcome pack to investors).

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**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

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7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of 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; or (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.	Not satisfied. The board has not established a risk committee as the role of the committee will be undertaken by the full board. Not satisfied. The company has established policies for the oversight and management of material business risks.  Risk management policy is available at <a href="http://www.vaultintel.com">www.vaultintel.com</a> in the Corporate Governance Section.
7.2	The board or a committee of the board should: (a) Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) Disclose, in relation to each reporting period, whether such a review has taken place.	This continues to evolve. The framework exists in a draft format currently. New software to facilitate the process is being sourced. Not satisfied – only undertaken on an informal basis.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Not satisfied.  The entity does not have an internal audit function. The function is currently assessed as being too costly. This will be revisited and will ultimately be related to size of entity.
7.4	The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.	The entity does not have material exposure in these areas. The risks relevant to the entity are assessed as not material at this stage of the company's life cycle.

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**PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

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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	Satisfied.  The board has established a remuneration committee which consists of independent directors.  Satisfied  Satisfied - See <a href="http://www.vaultintel.com">www.vaultintel.com</a> in the Corporate Governance Section.
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the period and the individual attendances of the members at those meetings; or

- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

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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.

Satisfied.

The structure of Directors' remuneration is disclosed in the Annual Report.

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8.3 A listed entity which has an equity-based remuneration scheme should:

- Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme;
- Disclose that policy or a summary of it.

There is no broad policy. Each employee has separately negotiated their remuneration. An EIS has been adopted in general meeting.

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Further information about the Company's corporate governance practices is set out on the Company's website at [www.vaultintel.com](http://www.vaultintel.com).