



## CORPORATE GOVERNANCE STATEMENT

### Introduction

This Statement summarises the corporate governance practices applied in Manaccomm Corporation Limited. It is structured along the same lines as the ASX Corporate Governance Council's guidelines, with sections dealing in turn with each of the Council's 10 corporate governance principles and addressing the Council's recommendations. The various codes, policies and charters referred to in this Statement which are posted on the Company's website, [www.manaccomm.com](http://www.manaccomm.com), are highlighted, and shareholders and other interested readers are welcome to refer to them. The Board will keep its corporate governance practices under review.

#### 1. Lay solid foundations for management and oversight

The Council states that a company should "*Recognise and publish the respective roles and responsibilities of board and management.*" Manaccomm has adopted a formal **Board Charter** that sets out the functions reserved to the Board and those delegated to the Chief Executive Officer.

The Board has delegated responsibilities and authorities to the CEO and other executives to enable management to conduct the Company's day to day activities. Matters which exceed certain defined authority limits require Board approval.

#### 2. Structure the Board to add Value

The Council states that a company should "*Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.*" Manaccomm's Board is so structured, and its Directors adequately discharge their responsibilities and duties for the benefit of shareholders.

The Board comprises two non-executive Directors (David Barwick, Chairman, and Ian Mackay) and an executive Director who is the CEO (Mike Veverka). A fundamental requirement for the Manaccomm Board is a deep understanding

of business management and financial markets. All Board members meet this requirement, and bring a diverse range of skills and backgrounds. The experience and qualifications of each Board member and their terms in office are set out in the Directors' Report section of the Company's Annual Report. All Directors, apart from the CEO, are subject to re-election by rotation at least every three years at the Company's Annual General Meeting.

The Board considers an independent director to be a non-executive director who meets the criteria for independence included in the Council's recommendations. The Board considers that David Barwick meets this criterion. However, both Ian Mackay and Mike Veverka are considered not to be independent because they are substantial shareholders in Manaccomm (i.e. hold more than 5% as defined in Section 9 of the Corporations Act) and Mike Veverka is an officer of the Company..

The Directors may also seek external professional advice at the expense of the Company on matters relating to their role as Directors of Manaccomm. However, they must first request approval from the Chairman, which must not be unreasonably withheld. If withheld then it becomes a matter for the whole Board.

The Manaccomm Board has established an Audit Committee, but as yet has not established Remuneration or Nomination Committees. The full Board consists of only three Directors and has formed the view that it is more efficient for the Board as whole to deal with these latter functions. To ensure the integrity of these functions the Board has included reference to these in the Board Charter and put in place measures addressed below.

### **3. Promote ethical and responsible decision making**

The Council states that a company should "*Actively promote ethical and responsible decision-making*". To this end, Manaccomm has formally adopted a **Code of Conduct** Covering Directors and Officers. The Code of Conduct is based on respect for the law and acting accordingly, dealing with conflicts of interest appropriately, and ethical matters such as acting with integrity, exercising due care and diligence in fulfilling duties, acting in the best interests of the Company and respecting the confidentiality of all sensitive corporate information.

Manaccomm also has a documented **Share Trading Policy** for Directors and Executives. The Policy prohibits Directors and Executives from dealing in the Company's securities whilst in possession of price sensitive information. Otherwise, those persons may generally deal in securities at any time provided they obtain the prior consent of the Board Chairman (or, in the case of the Chairman himself, from the chairman of the Audit Committee).

#### **4. Safeguard integrity in financial reporting**

The Council states that a company should "*Have a structure to independently verify and safeguard the integrity of the company's financial reporting.*" To assist this process, the CEO and the CFO must certify to the Board in writing that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards.

In late 2007 Manaccomm established an Audit Committee which operates under an **Audit Committee Charter**. This Charter includes information on procedures for the selection and appointment of an external auditor, rotation of the engagement audit partner. The external auditor is required to attend the Company's Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The Audit Committee comprises the two non-executive Directors, Ian Mackay (as chairman) and David Barwick, and the Company Secretary, Bill Lyne, all of whom have strong finance and accounting backgrounds and experience.

#### **5. Make timely and balanced disclosure**

The Council states that a company should "*Promote timely and balanced disclosure of all material matters concerning the company.*" Manaccomm is committed to the promotion of investor confidence by ensuring that trading in the company's securities takes place in an informed market. And to assist compliance with continuous disclosure requirements under the ASX Listing Rules, the Company has a **Continuous Disclosure Policy** in place to ensure that material price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely manner. In addition all

changes in Directors' interests in the Company's shares are promptly reported to the ASX.

## **6. Respect the rights of shareholders**

The Council states that a company should "*Respect the rights of shareholders and facilitate the effective exercise of those rights*". Manaccom has a website, [www.manaccom.com](http://www.manaccom.com), which provides access to all recent ASX announcements, recent disclosure documents (e.g. prospectuses, notices of meetings, explanatory memorandums, annual reports) and key contact details. Shareholders' meetings also represent a good opportunity for shareholders to meet with the Board of Manaccom.

## **7. Recognise and manage risk**

The Council states that a company should "*Establish a sound system of risk oversight and management and internal control*". Manaccom maintains documented policies for identifying, assessing and monitoring risk, summarised in a **Risk Management Policy**. Through the Audit Committee the Company monitors key risks, ranked for their likelihood and impact, and risk control measures. Some of these measures include formal authority limits for management to operate within, a compliance table setting out the company's obligations and how they are executed, and an IT plan. The CEO and CFO state in writing annually to the Board that to the best of their knowledge the integrity of the risk and compliance systems is in place in all material respects.

## **8. Encourage enhanced performance**

The Council states that a company should "*Fairly review and actively encourage enhanced board and management effectiveness*." Manaccom provides new Directors with a comprehensive letter on appointment which provides clear guidance on what input is required by them, and includes materials to assist with induction into the Company. The performance of the Board is reviewed periodically by the Directors as a whole.

## **9. Remunerate fairly and responsibly**

The Council states that a company should "*Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined*". A discussion

about the Manaccomm policy, along with details of all remuneration for Directors and Key Management can be found in the Directors' Report section of the Company's Annual Report.

#### **10. Recognise the legitimate interests of stakeholders**

The Council states that a company should "*Recognise legal and other obligations to all legitimate stakeholders*". Manaccomm has a responsibility to shareholders and the wider financial community. The Company has a variety of measures in place to support this principle, including the Code of Conduct for compliance (with ethical and legal responsibilities), a Continuous Disclosure Policy, and a Share Trading Policy.