

# Corporate governance statement

This document discloses the extent to which Connexion Media Limited ACN 004 240 313 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the reporting period.

This document is current as at 29 September 2017 and has been approved by the board of the Company.

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
<b>1.</b>	<b>Principle 1 – Lay solid foundations for management and oversight</b>		
	A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.		
1.1	<p><b>ASX Recommendation 1.1</b></p> <p>Companies 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>Yes</p> <p>Yes</p>	<p>Refer Section 1.2 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>
1.2	<p><b>ASX Recommendation 1.2</b></p> <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>Yes</p> <p>Yes</p>	<p>Refer Section 21 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p> <p>Information is included in The Company’s Notice of Meetings to shareholders.</p>
1.3	<b>ASX Recommendation 1.3</b>	Yes	The Company currently has executed Letters of Appointment with Non-Executive Directors. Details of executive contracts in place are detailed in the Company’s

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	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		Annual Remuneration Report in the 2017 Annual Report																
1.4	<b>ASX Recommendation 1.4</b> 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.	Yes	Refer Section 5 of the Company's Board Charter for further detail which is located on the Company's website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a>																
1.5	<b>ASX Recommendation 1.5</b> 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;  b. disclose that policy or a summary of it; and  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:  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	Yes  Yes  Partially	Refer to the Company's Diversity Policy for further detail which is located on the Company's website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a>  Refer to the Company's Diversity Policy for further detail which is located on the Company's website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a>  The proportion of women on the board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:  <table border="1"> <thead> <tr> <th>Gender</th> <th>Board</th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>No. of men</td> <td>3</td> <td>2</td> <td>8</td> </tr> <tr> <td>No. of women</td> <td>0</td> <td>0</td> <td>2</td> </tr> <tr> <td>% women</td> <td>0%</td> <td>0%</td> <td>20%</td> </tr> </tbody> </table> The Board has not yet set measurable objectives for the Company as the operations are still in ramp up and development stage.	Gender	Board	Senior executive positions	Whole organisation	No. of men	3	2	8	No. of women	0	0	2	% women	0%	0%	20%
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	<p>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>	Not applicable	
1.6	<p><b>ASX Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer the Company’s Board and Senior Executive Evaluation Policy for further detail which is located on the Company’s website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p> <p>No formal performance evaluation was undertaken during the period to June 2017 as there was significant movement in the directors of the Company. The Board will undertake this review during the coming financial period.</p>
1.7	<p><b>ASX Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>a. have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Yes</p> <p>Yes</p>	<p>Refer the Company’s Board and Senior Executive Evaluation Policy for further detail which is located on the Company’s website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p> <p>There was significant movement in the executives of the Company during the period. The Board will undertake this review during the coming financial period for any executive appointed to the Company.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
<b>2.</b>	<b>Principle 2 – Structure the board to add value</b>		
	A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.		
2.1	<p><b>ASX Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>a. have a nomination committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol> <p>b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>a. No</p> <p>1. N/A</p> <p>2. N/A</p> <p>3. N/A</p> <p>4. N/A</p> <p>5. N/A</p> <p>b. Yes</p>	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to nomination.</p> <p>Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p> <p>The Board fulfils the roles and responsibilities that would typically be undertaken by a nomination committee. There are certain matters set out in the Selection and Appointment of New Directors Policy which assist with this process.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
2.2	<p><b>ASX Recommendation 2.2</b></p> <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>	No	<p>Refer Section 2 of the Company's Board Charter for further detail which is located on the Company's website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p> <p>The makeup of the Board went through significant change throughout the period and the Board is currently assessing its requirements as part of an overall review of the operations and requirements.</p>
2.3	<p><b>ASX Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>a. the names of the directors considered by the board to be independent directors;</p> <p>b. if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>c. the length of service of each director.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>The Board consists of three, one of which (Robert Downey) are Independent non-executive directors.</p> <p>The Board considers each non-executive director to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The other Directors currently considered by the Board to not be independent on the basis that they have also engaged in executive management roles or are substantial shareholders or holders of other equity instruments.</p> <p>Other information in respect to each director can be located in the director's report contained within the annual report for the year ended 30 June 2017</p>
2.4	<p><b>ASX Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	No	<p>Given the size of the Board and its current infancy, the Board will look to appoint Non-Executive Directors into the future.</p>
2.5	<p><b>ASX Recommendation 2.5</b></p> <p>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>	No	<p>The roles of Chairman and Chief Executive Officer are exercised by different individuals.</p> <p>Mr Mark Caruso is not considered to be an independent director by virtue of his shareholding and being a substantial holder of Series 1 Convertible Notes.</p>

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2.6	<p><b>ASX Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	No	There is no formal policy for inducting new directors however they are provided with relevant policies and information to be able to carry out their functions as a newly appointed director in a diligent and professional manner.
<b>3.</b>	<b>Principle 3 – Act ethically and responsibly</b>		
	A listed entity should act ethically and responsibly.		
3.1	<p><b>ASX Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>a. have a code of conduct for its directors, senior executives and employees; and</p> <p>b. disclose that code or a summary of it.</p>	No	<p>The prior directors of the Company did not develop a Code of Conduct. The newly appointed Board have adopted a code of conduct subsequent to the year end. The Code can be found at the following link:</p> <p><a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>
<b>4.</b>	<b>Principle 4 – Safeguard integrity in corporate reporting</b>		
	A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.		
4.1	<p><b>ASX Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>a. have an audit committee which:</p> <p>1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>2. is chaired by an independent director, who is not the chair of the board,</p>	<p>No</p> <p>N/A</p> <p>N/A</p>	Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the audit committee.

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	<p>and disclose:</p> <p>3. the charter of the committee;</p> <p>4. the relevant qualifications and experience of the members of the committee; and</p> <p>5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>N/A</p> <p>Yes</p> <p>N/A</p> <p>N/A</p>	<p>Refer to Company's 2017 Annual Report.</p> <p>Refer Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p> <p>The full Board considers matters typically considered by an Audit Committee.</p>
4.2	<p><b>ASX Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Yes</p>	<p>The CEO and CFO (or equivalent positions held) execute Section 295A declarations and submit to the Board prior to approving the Annual Report.</p>

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4.3	<p><b>ASX Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	The Auditor attends the Company Annual General Meeting
<b>5.</b>	<b>Principle 5 – Make timely and balanced disclosure</b>		
	A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1	<p><b>ASX Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>a. have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>b. disclose that policy or a summary of it.</p>	<p>No</p> <p>No</p>	<p>The prior directors of the Company did not develop a continuous disclosure policy. The current Board developed such a policy subsequent to year end and can be found at at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>
<b>6.</b>	<b>Principle 6 – Respect the rights of security holders</b>		
	A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
6.1	<p><b>ASX Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>Refer Company’s Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company’s website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>
6.2	<p><b>ASX Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	Yes	<p>Refer Company’s Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company’s website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>



	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
6.3	<p><b>ASX Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	Yes	<p>Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link:</p> <p><a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>
6.4	<p><b>Recommendation 6.4</b></p> <p>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>	Yes	<p>Refer Company's Shareholder Communication Policy which includes relevant information on the communication with shareholders which is located on the Company's website at the following link:</p> <p><a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>
<b>7.</b>	<b>Principle 7 – Recognise and manage risk</b>		
	A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.		
7.1	<p><b>ASX Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>a. have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol>	<p>a) No</p> <ol style="list-style-type: none"> <li>1) N/A</li> <li>2) N/A</li> <li>3) N/A</li> <li>4) N/A</li> <li>5) N/A</li> </ol> <p>b) Yes</p>	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the entity's risk management framework.</p> <p>The full Board considers matters typically considered by a risk Committee.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	<p>those meetings; or</p> <p>b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		
7.2	<p><b>ASX Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b. disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Company regularly undertake reviews of its risk management framework to establish an effective and efficient system for:</p> <p>(i) identifying, assessing, monitoring and managing risk; and</p> <p>(ii) disclosing any material change to the Group's risk profile.</p> <p>For further detail refer to:</p> <ul style="list-style-type: none"> <li>- Refer to Section 1.2 (c) of the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></li> </ul>
7.3	<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>a. if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>a. N/A</p> <p>b. Yes</p>	<p>The Company does not have an internal audit function. The Audit Committee directly oversees relevant risk areas as part of its risk management function.</p> <p>For further detail refer to:</p> <ul style="list-style-type: none"> <li>- Refer to Section 1.2 (c) of the Company's Board Charter which includes relevant information on the role of the Board which is located on the Company's website at the following link: <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></li> </ul>
7.4	<p><b>ASX Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability</p>	Yes	<p>There is no material exposure to environmental and social sustainability risk.</p> <p>In respect to economic risks, A range of factors can influence the level of the Company's sustainability.</p>

	ASX RECOMMENDATION	COMPLIED WITH?	COMMENT
	risks and, if it does, how it manages or intends to manage those risks.		<ul style="list-style-type: none"> <li>▪ Funding Risk: - The economic success of the Company is dependent on the Company being able to raise sufficient funds either through debt or equity in order to develop its technology and fund working capital. The Board assesses funding on an ongoing basis and ensures the Company is adequately funded. Funding initiatives are considered by the Board and decisions are made based on the circumstances facing the Company.</li> <li>▪ Developing Intellectual Property – the company has a track record of developing conceptual proprietary knowledge, continued development is an important part of the economic sustainability of the company.</li> <li>▪ Maintaining ownership of existing Intellectual Property.</li> <li>▪ Developing additional technology.</li> </ul>
<b>8.</b>	<b>Principle 8 – Remunerate fairly and responsibly</b>		
	A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.		
8.1	<p><b>ASX Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>a. have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> <p>and disclose:</p> <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee;</li> </ol>	<p>a. No</p> <ol style="list-style-type: none"> <li>1. N/A</li> <li>2. N/A</li> <li>3. N/A</li> <li>4. N/A</li> <li>5. N/A</li> </ol> <p>b. Yes</p>	<p>Due to the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration of directors and senior executives</p> <p>The full Board considers matters typically considered by a risk Committee.</p> <p>Refer Company’s Board Charter which includes relevant information on the role of the Board which is located on the Company’s website at the following link:  <a href="https://connexionltd.com/investors/corporate-info/">https://connexionltd.com/investors/corporate-info/</a></p>

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	<p>and</p> <p>5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		
8.2	<p><b>ASX Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	<p>Separate disclosure regarding the remuneration of the Company's directors (executive and non-executive) and CEO is disclosed in the Company's Annual report, as lodged with the ASX and issued to shareholders.</p> <p>A copy of the latest Annual Report containing this disclosure can be accessed at the Company's website.</p>
8.3	<p><b>ASX Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>b. disclose that policy or a summary of it.</p>	N/A	The Company does not have an equity based remuneration scheme in place.