

**LogiCamms Limited**  
**ABN 90 127 897 689**

**Corporate Governance Statement for the Year  
Ended 30 June 2019**

# Corporate Governance Statement – FY2019

This Statement has been approved by a resolution of the Board of LogiCamms Limited (“**LogiCamms**” or “**Company**”), and is current as at 30 June 2019.

## **LogiCamms’ approach to Corporate Governance**

This Statement explains how LogiCamms addresses the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 3<sup>rd</sup> Edition’ (“**ASX Principles**”).

### **Principle 1: Lay solid foundations for management and oversight**

#### **Recommendation 1.1 – Companies should establish the functions reserved to the Board and those delegated to the Executive team**

##### *Role of the Board*

The Board is responsible for the overall corporate governance of the Company and has adopted as a guiding principle that it act honestly, diligently and fairly in accordance with the law and in the interests of the Shareholders with a view to building sustainable value for them, the Company’s employees, and other stakeholders in the Company.

The Board has adopted a Board Charter, which sets out the Board’s role and responsibilities, the powers that it has reserved for its own consideration and the authority it has delegated to the Executive. The Board’s reserved powers and responsibilities as set out in the Board Charter include:

- setting the strategic direction of the Company, establishing goals to ensure that these strategic objectives are met and monitoring the performance of management against these goals and objectives;
- ensuring there are adequate resources available to meet the Company’s objectives;
- appointing the Chief Executive Officer (who may be appointed as a Managing Director) (“**Chief Executive**”), evaluating the performance and determining the remuneration of senior executives, including any executive incentive plan, and ensuring that appropriate policies and procedures are in place for recruitment, training, remuneration and succession planning;
- determining the size, composition and structure of the Board and evaluating the performance of the Board and its Directors on an annual basis;
- determining remuneration levels of Directors;
- approving and monitoring financial reporting and capital management;
- approving and monitoring annual budgets;
- approving and monitoring the progress of business objectives;
- ensuring that any necessary statutory licences are held and compliance measures are maintained to ensure compliance with the law and licence(s);
- ensuring that adequate risk management procedures exist and are being used;
- ensuring that the Company has appropriate corporate governance structures in place, including standards of ethical behaviour and a culture of corporate and social responsibility;
- ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- approving the dividend policy of the Company and authorising payment of dividends; and

- appointing or removing the Company's external auditors and approving the auditor's remuneration, upon recommendation from the Audit & Risk Committee.

#### *Delegation to the Chief Executive and Executive Team*

The Board has delegated to the Chief Executive responsibility for the day-to-day management of the LogiCamms' group of companies, and implementation of policies and strategy set by the Board.

#### **Recommendation 1.2 – Companies should carry out appropriate check of Board candidates and provide information to shareholders that is material to their candidacy**

The Board has established a Nomination and Remuneration Committee whose responsibilities include assisting the Board with the selection and appointment of appropriate directors of the Company.

Appropriate checks are undertaken by the Company before appointing a person as a director and recommending that person for election (including character, experience, education, criminal record and bankruptcy history checks).

All material information that is relevant to the decision of whether or not to elect or re-elect a Director is provided to shareholders in the notice of meeting for the relevant AGM.

#### **Recommendation 1.3 – Companies should have a written agreement with each Director and Executive setting out the terms of their appointment**

All Directors enter into a written agreement with the Company which sets out their duties, responsibilities, rights, and remuneration entitlements, and all Directors provide a consent to act as a director prior to their appointment.

Each member of LogiCamms' Executive team is employed under an executive services agreement which sets out the terms on which the Executive is employed, including details of the Executive's duties, responsibilities, rights, and remuneration entitlements.

#### **Recommendation 1.4 – The company secretary of a listed entity should be accountable directly to the Chair of the Board for matters relevant to the Board**

For any matter relevant to the Company's secretarial duties or conduct of the Board, the Company Secretary is accountable to the Chairperson of the Board.

#### **Recommendation 1.5 – Companies should have a policy concerning diversity and disclose that policy, together with measurable objectives for achieving gender diversity and its progress towards achieving those objectives**

The Board has established a policy dealing with diversity within its workforce. The diversity policy is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

The Board through its committees monitors and reviews the Company's policies, including the diversity policy and other associated policies, to determine the effectiveness of the policies in the circumstances relevant to the industries in which the Company operates.

LogiCamms reports under the *Workplace Gender Equality Act 2012* (Cth) and publication of LogiCamms' Gender Equality Indicators can be found on the Workplace Gender Equality Agency website (<https://www.wgea.gov.au/report/public-reports>).

**Recommendation 1.6 – Companies should disclose the process for evaluating the performance of the Board, its committees, and individual Directors**

The performance of the Board, its committees and individual directors is reviewed by the Chairperson each year. As part of the performance evaluation process, the Chairperson holds discussions with each individual Director. A performance evaluation will be undertaken in accordance with this process in FY2020.

On a periodic basis, the performance of the Board, the Board committees and individual directors is assessed by an independent external facilitator. The last externally facilitated Board review took place in 2014. The next assessment will be carried out in FY2020.

**Recommendation 1.7 – Companies should disclose the process for evaluating the performance of the Executive team**

The performance evaluation of the Chief Executive and senior executives is conducted on an annual basis through an interview process with the Board as well as through external advisors (as required) and industry benchmarking. In addition the performance of the Chief Executive and senior executives is monitored consistently by the Board in assessing the performance of the Company at each meeting to identify areas of improvement to assist the Company. Because of the Company changes and merger a performance evaluation will be undertaken in accordance with this process for FY2020.

**Principle 2: Structure the Board to add value**

**Recommendation 2.1 – The Board should establish an appropriately structured nomination committee**

The Board has established a Nomination and Remuneration Committee. The Committee has a formal charter that is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board in relation to:

- the Group's remuneration policies and practices, including those of the Chief Executive and executive management;
- Board appointments and re-elections;
- Board and senior executive succession plans; and
- Board composition, competencies and diversity.

The Nomination and Remuneration Committee is also responsible for overseeing Director training and education programs, and the performance evaluation process for the Board, Board Committees and individual Directors.

The Nomination and Remuneration Committee members for FY2019 were:

- for the period up to 28 June 2019: Peter Watson (Chair), Charles Rottier, and Richard Robinson; and
- from 28 June 2019: Charles Rottier (Chair), Richard Robinson.

The Nomination and Remuneration Committee as at 30 June 2019 temporarily did not have sufficient members to meet the recommendation due to the merger with OSD Pty Ltd completing on the last business day of FY2019 (being 28 June 2019) with membership of the Company's committees being determined at the first post-merger Board and committee meetings on 3 July 2019.

Details of Committee meetings held during FY2019 and attendances at those meetings by Committee members are set out in the 2019 Annual Report.

**Recommendation 2.2 – The Board should establish and disclose a board skills matrix on the mix of skills and diversity for Board membership**

The Board has in place a skills matrix and regularly assesses the balance of skills, knowledge, diversity and experience of its current Directors, which will support the effective functioning of the Board with regard to the strategic direction of the Company.

The skills and experience held within the Board for FY2019 were as follows:

- for the period up to 28 June 2019:

<b>Sector Experience</b>	<b>Number of Directors (out of 3)</b>
Hydrocarbons	3
Minerals and Metals	3
Infrastructure	3
<b>Geographic Experience</b>	<b>Number of Directors (out of 3)</b>
Australia	3
New Zealand	3
Papua New Guinea	2
<b>Functional Experience</b>	<b>Number of Directors (out of 3)</b>
Listed Company Experience	3
Finance	3
Risk Management	3
Corporate Governance	3
Human Resources	3
Legal	3
Technology	2

- from 28 June 2019:

<b>Sector Experience</b>	<b>Number of Directors (out of 4)</b>
Hydrocarbons	4
Minerals and Metals	4
Infrastructure	4
<b>Geographic Experience</b>	<b>Number of Directors (out of 4)</b>
Australia	4
New Zealand	4
Papua New Guinea	3
<b>Functional Experience</b>	<b>Number of Directors (out of 4)</b>
Listed Company Experience	3

Finance	4
Risk Management	4
Corporate Governance	3
Human Resources	4
Legal	4
Technology	4

**Recommendation 2.3 – *The Company should disclose whether its Directors are independent***

LogiCamms considers a Director to be independent if the Director is independent of management and free of a business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgement in relation to matters concerning LogiCamms.

In determining whether a Director is independent, the Board has regard to:

- whether the Director is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- whether the Director is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- whether the Director is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- whether the Director is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- whether the Director has a material contractual relationship with the entity or its child entities other than as a director;
- whether the Director has close family ties with any person who falls within any of the categories described above;
- whether the Director has been a director of the entity for such a period that his or her independence may have been compromised;
- any materiality guidelines applied in accordance with Australian Accounting Standards; and
- any professional advice sought by the Board at its discretion.

The details of LogiCamms' independent directors for FY2019 were:

- for the period up to 28 June 2019:

<b>Name of independent director</b>	<b>Length of service as at 28 June 2019</b>	<b>Factors affecting independence</b>
Peter Watson	8 years	None
Richard Robinson	4 years	None
Charles Rottier	2 years	None

- from 28 June 2019:

<b>Name of independent director</b>	<b>Length of service as at 30 June 2019</b>	<b>Factors affecting independence</b>
Richard Robinson	4 years	None
Charles Rottier	2 years	None

**Recommendation 2.4 – *The majority of the Board should be comprised of independent directors***

For the period of FY2019 up to 28 June 2019 the Board comprised three non-executive Directors (including the non-executive Chair) each of whom are independent.

From completion of the merger with OSD Pty Ltd on 28 June 2019 the Board consisted of an equal split of independent and non-independent Directors (with the Chair being an independent Director). This situation is temporary and the Board is currently in the process of recruiting an additional independent Director, with the appointment expected to occur later in 2019.

**Recommendation 2.5 – *The Chair should be an independent director***

Mr Peter Watson, who held the role of Chair of the Board for FY2019 up to 28 June 2019, was an independent non-executive director and did not hold the role of Chief Executive.

Mr Charles Rottier, who is the current Chair of the Board, is an independent non-executive director and does not hold the role of Chief Executive.

**Recommendations 2.6 – *The Board should establish a program for inducting new directors and provide appropriate professional development opportunities for Directors***

The program for the induction of new directors is set out in the Company's Board Charter. Newly appointed Directors are inducted so that they gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the culture and values of the Company;
- the rights, duties and responsibilities of the Directors;
- the roles and responsibilities of senior executives;
- the role of Board committees;
- meeting arrangements; and
- Director integration with each other, senior executives and other stakeholders.

Directors are encouraged to attend continuing education to update and enhance their skills and knowledge at the Company's expense with the approval of the Chairperson (which approval is not unreasonably withheld).

**Principle 3: Act ethically and responsibly**

**Recommendation 3.1 – *Companies should have a code of conduct***

LogiCamms has a Corporate Code of Conduct that applies to directors, officers, managers, employees, and consultants of LogiCamms Limited and its subsidiaries, and it is expected that it will be complied with in all dealings in relation to the affairs of the Company's business and when dealing with each other, shareholders, and the broader community.

LogiCamms' Corporate Code of Conduct is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

#### **Principle 4: Safeguard integrity in corporate reporting**

##### **Recommendation 4.1 – *The Board should establish an appropriately structured audit committee***

The Board has established an Audit and Risk Committee. The Committee has a formal charter that is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

The Audit and Risk Committee is responsible for:

- reviewing the integrity and adequacy of the Company's financial reporting process;
- reviewing the adequacy of the Company's risk management framework (including the Risk Management Policy and Risk Management Plan adopted by the Company as set out below);
- overseeing the Company's compliance programs;
- approving the terms of engagement for the external auditor and internal auditor;
- assessing the performance and independence of the external auditor and the internal audit function;
- overseeing the process and procedures for the selection, appointment and removal of the external auditor (including the rotation of the external audit partner) and the internal auditor;
- making recommendations to the Board for the appointment or (if necessary) the removal of the external auditor and the head of the internal audit function; and
- making recommendations to the Board in relation to the Group insurance policies and financing arrangements.

The Audit and Risk Committee members for FY2019 were:

- for the period up to 28 June 2019: Charles Rottier (Chair), Peter Watson and Richard Robinson.
- from 28 June 2019: Richard Robinson (Chair) and Charles Rottier.

The Audit and Risk Committee as at 30 June 2019 temporarily did not have sufficient members to meet the recommendation due to the merger with OSD Pty Ltd completing on the last business day of FY2019 (being 28 June 2019) with membership of the Company's committees being determined at the first post-merger Board and committee meetings on 3 July 2019.

Their qualifications and experience are set out in the 2019 Directors' Report. Details of Committee meetings held during FY2019 and attendances at those meetings by Committee members are set out in the 2019 Annual Report.

##### **Recommendation 4.2 – *Chief Executive and CFO certification of financial statements***

Prior to the approval of the financial statements for a financial period, the Board receives from the Chief Executive and the Chief Financial Officer declarations in writing that, in their opinion:

- the financial records of the Company have been properly maintained;
- the financial statements for the financial period give a true and fair view of the LogiCamms' group's financial condition and performance, and comply with the relevant accounting standards; and

- this opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively in all material respects.

#### **Recommendation 4.3 – *External auditors availability at AGM***

The external auditor attends LogiCamms' AGM. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the independent audit report by providing the questions to LogiCamms at least five business days before the meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the independent audit report, the accounting policies adopted by LogiCamms, and the independence of the auditor.

#### **Principle 5: Make timely and balanced disclosure**

#### **Recommendation 5.1 – *A company should establish a policy for complying with its continuous disclosure obligations under the Listing Rules***

The Board has established a policy for complying with its continuous disclosure obligations under the Listing Rules.

The objectives of the Continuous Disclosure Policy are:

- assist LogiCamms to comply with its continuous disclosure obligations under the Corporations Act and the Listing Rules;
- establish procedures for the preparation, approval and release of announcements by the Company to ASX; and
- promote investor confidence in the integrity of the Company and its securities.

The policy covers various topics, including:

- Legal requirements;
- Best practice guidelines;
- Disclosure principle;
- Immediate disclosure;
- Disclosure of price sensitive information;
- Authorised spokespersons;
- Company announcements;
- Pre-result periods;
- Media and market speculation; and
- Trading halts and voluntary suspension.

LogiCamms' Continuous Disclosure Policy ensures that matters having a material effect on the price of the Company's securities are notified to ASX in a timely manner.

A copy of the policy is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

## **Principle 6: Respect the rights of security holders**

### ***Recommendation 6.1 – A company should provide information about itself and its governance to investors via its website***

LogiCamms provides a substantial amount of information on its operations on its website, [www.logicamms.com.au](http://www.logicamms.com.au), including:

- the names and a brief summary of the backgrounds and experience of each of its Directors;
- the Board Charter and the charters of each committee of the Board; and
- the Company's corporate governance policies and other relevant materials.

LogiCamms keeps investors informed of all major developments in an ongoing manner as follows:

- all shareholders are provided with a copy of the Company's Annual Report (at their election this is either in hard copy or electronically), and a copy of the Annual Report is available to potential investors on the Company's website;
- the annual and half-yearly financial reports are lodged with ASX, and are available to view both on ASX and LogiCamms' website;
- ASX announcements are available on the website.

The Company's website also contains a dedicated Investor Relations section, containing:

- ASX announcements from 2010 onwards;
- Investor Presentations;
- Company Reports;
- Corporate Governance documents;
- LogiCamms' Corporate Directory; and
- a Board of Directors section.

### ***Recommendation 6.2 – Companies should design and implement an investor relations program to facilitate two-way communication with investors***

LogiCamms has an investor relations program designed to communicate with its shareholders to ensure they are informed of all material information relating to the Company, and to promote shareholder involvement in the Company.

The Company's communications strategy promotes the communication of information to shareholders through the distribution of the annual report, half-year reports, and all announcements through the ASX. Releases provided to ASX are posted on the Company's website, and made available on the Company website immediately after release to the market. The Company also provides other information about itself and its governance on the Company website.

### ***Recommendation 6.3 – Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meeting of shareholders***

The Board encourages the participation of shareholders at the Annual General Meeting to seek to ensure a high level of accountability and discussion in relation to the Company's performance. Shareholders are encouraged to participate in the Annual General Meeting through asking questions and making comments. The Directors and Executives of the Company, including the Chief Executive and Chief Financial Officer, on occasion meet with analysts and investors. Any presentations made are released to the ASX.

The external auditor attends the annual general meetings (as well as any relevant extraordinary general meetings) to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

**Recommendation 6.4 – Companies should provide the option to send and receive communication from the company and its share registry in electronic form**

The Company receives enquiries from shareholders through the Company website (<http://www.logicamms.com.au/contact-us/>), and responds directly to shareholders.

Shareholders also have the option to receive key communications from the Company and its share registry electronically.

**Principle 7: Recognise and manage risk**

**Recommendation 7.1 – Companies should establish a committee to oversee risk**

The Board has a combined Audit and Risk Committee. The Committee has a formal charter that is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

Details of the structure, meeting frequency and attendance, and charter of the Audit and Risk Committee is set out in Recommendation 4.1.

**Recommendation 7.2 – Review of risk management framework**

Risks identified by the Audit and Risk Committee or Management are raised and discussed regularly at Board meetings with the aim of identification, assessment and appropriate management of those risks.

Details of the material business risks which may impact on the LogiCamms' group are set out in the Principal Activities & Review of Operations section of the 2019 Directors' Report.

Ways in which the Company seeks to minimise its risks include:

- capital and operational expenditure is approved via detailed budgets signed off by the Board with performance reviewed monthly, and forecasts revisited regularly;
- occupational health and safety standards are stringently managed throughout the business;
- business transactions are properly authorised and executed;
- attracting and retaining quality and ethical personnel through recruitment practices, training and annual performance reviews; and
- consideration of environmental obligations and compliance.

A review of the Company's risk management framework has occurred in the FY2019 reporting period.

**Recommendation 7.3 – Companies should disclose the structure and role of its internal audit function**

The internal audit function provides an independent assessment of the appropriateness of the Company's Risk Management Framework and governance systems. The results of the assessments are reported to the Audit and Risk Committee.

The Committee also monitors management's response to recommendations arising from such assessments.

The Company currently uses external contractors when required to fulfil this audit function, and internal audit plans are reviewed by the Committee to ensure that they address key areas of risk, with appropriate coordination with the external auditor.

***Recommendation 7.4 – Companies should disclose their economic, environmental, and social sustainability risks and how those risks are managed***

The Board does not consider that the Company has any material exposure to economic, environmental or social sustainability risks.

**Principle 8: Remunerate fairly and responsibly**

***Recommendation 8.1 – The Board should establish an appropriately structured remuneration committee***

The Board has a combined Nomination and Remuneration Committee. The Committee has a formal charter that is available on LogiCamms' website (<http://www.logicamms.com.au/investor-relations/corporate-governance>).

Details of the structure, meeting frequency and attendance, and charter of the Nomination and Remuneration Committee is set out in Recommendation 2.1.

***Recommendation 8.2 – The Company should distinguish between non-executive Directors' remuneration and that of executive Directors and Executives***

LogiCamms' remuneration structure distinguishes between non-executive Directors and that of the Chief Executive and Executive Team (including Executive Directors). A Remuneration Report as required under section 300A(1) of the *Corporations Act 2001* is provided in the Director's Report which forms part of the 2019 Annual Report.

***Recommendation 8.3 – The Company should establish a policy on whether participants in equity-based remuneration scheme are able to enter into transactions which limit the economic risk of participating in those schemes***

The Company's Long Term Incentive Plan and Short Term Incentive Plan, approved most recently by shareholders in 2016, only allows for Performance Rights, Performance Options, and Share Appreciation Rights which are not quoted on the ASX. Awards under these plans are prohibited from being transferred, except in the event of the death of the participant. The Company does not otherwise have any equity-based remuneration schemes.

In these circumstances the Company's policies have been structured so that participants in the Company's equity based remuneration schemes cannot enter into transaction which limit the economic risk of participating in those schemes.