

CORPORATE GOVERNANCE STATEMENT

8common Limited's (the **Company**) Directors and management 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's corporate governance policies and charters all available on the Company's web site (www.8common.com) (**Website**).

ASX RECOMMENDATION		STATUS	COMMENT
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
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.	Complying	The Board has adopted a charter which establishes the role of the Board and its relationship with management. The primary role of the Board is the protection and enhancement of long term shareholder value. Its responsibilities include the overall strategic direction of the Group, establishing goals for management and monitoring the achievement of these goals. The functions and responsibilities of the Board and management are consistent with ASX Principle 1. A copy of the Board Charter is posted on the Website.
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.	Complying	8common has provided all relevant information about before appointing a person or putting forward a candidate for election as a director and will provide all material information.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	8common has entered into written agreements with each of the directors setting out the terms of appointment, remuneration, working conditions and ongoing confidentiality of obligations.
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.	Complying	Zoran Grujic currently fulfils the role of Company Secretary and is an executive director of 8common.

	ASX RECOMMENDATION	STATUS	COMMENT
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>	Part-Complying	<p>8common has a Diversity Policy recognising that workplace diversity, including gender, age, ethnicity and cultural background is key to our business.</p> <p>Whilst the Company has not set formal measurable objectives for achieving gender diversity, at such time that the Company seeks to establish its workforce, the Company will be committed to recruiting the right people regardless of race, gender, age, marital status or any other factor not relevant to their competence and performance.</p> <p>As at 30 June 2015, the Company had 52 employee including dedicated outsourced contractors; of these, 17 are female, (none of these hold senior management roles).</p>
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>	Non-Complying	<p>8common intends to undertake an annual process to review the performance and effectiveness of the Board, the Board Committees and individual directors. The Company Secretary will oversee this process. As part of the review, each Director will complete a questionnaire relating to the Board's and each Committee's role, composition, procedures, practices and behaviour. The questionnaires will be confidential. The Chairman will lead the discussion of the questionnaire results as a whole, and will provide feedback to individual Directors as necessary.</p> <p>Senior executives supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.</p> <p>The Board expects the inaugural review to be completed by December 31, 2015.</p>

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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>	Part-Complying	The Board, together with the Company's Chief Executive Officer evaluates the performance of the Group's senior executives annually. The Board also reviews the Chief Executive Officer's performance annually. A performance evaluation for the Chief Executive Officer has taken place but not all of the Group's senior executives have been evaluated as some had only recently joined the Company.

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PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE																				
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; 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>	Not-Complying																		
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>The Company does have a "board skills matrix" setting out the mix of skills and diversity that it is looking to achieve in its membership. A summary of the experience and skills of the Board is set out in the matrix below.</p> <table border="1" data-bbox="767 1597 1230 1877"> <thead> <tr> <th data-bbox="767 1597 1066 1626">Experience and Skills</th> <th data-bbox="1066 1597 1230 1626">No, of Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="767 1626 1066 1655">Strategy, Planning and M&A</td> <td data-bbox="1066 1626 1230 1655">4</td> </tr> <tr> <td data-bbox="767 1655 1066 1684">Corporate Governance</td> <td data-bbox="1066 1655 1230 1684">4</td> </tr> <tr> <td data-bbox="767 1684 1066 1713">Accounting & Finance</td> <td data-bbox="1066 1684 1230 1713">4</td> </tr> <tr> <td data-bbox="767 1713 1066 1742">Risk Management</td> <td data-bbox="1066 1713 1230 1742">3</td> </tr> <tr> <td data-bbox="767 1742 1066 1771">Leadership, People & Talent</td> <td data-bbox="1066 1742 1230 1771">3</td> </tr> <tr> <td data-bbox="767 1771 1066 1800">Sales & Marketing</td> <td data-bbox="1066 1771 1230 1800">3</td> </tr> <tr> <td data-bbox="767 1800 1066 1830">Technology & Technology Products</td> <td data-bbox="1066 1800 1230 1830">3</td> </tr> <tr> <td data-bbox="767 1830 1066 1859">Digital Business</td> <td data-bbox="1066 1830 1230 1859">4</td> </tr> </tbody> </table>	Experience and Skills	No, of Directors	Strategy, Planning and M&A	4	Corporate Governance	4	Accounting & Finance	4	Risk Management	3	Leadership, People & Talent	3	Sales & Marketing	3	Technology & Technology Products	3	Digital Business	4
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2.3	<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>	Complying	<p>As at the date of this Statement, the Board comprised of 5 Directors, Grant McCarthy, Adrian Bunter, Nyap Liou "Larry" Gan, Zoran Grujic and Kah Wui "Nic" Lim.</p> <p>The Board has considered the circumstances of each Director and determined that Directors Grant McCarthy and Adrian Bunter re independent as described in Box 2.3 of the Recommendations.</p> <p>If the Board determines that a Director's status as an independent Director has changed, that determination will be disclosed and explained in a timely manner to the market. The length of service of each Director is set out below:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Join Date</th> </tr> </thead> <tbody> <tr> <td>Grant McCarthy</td> <td>31/03/2014</td> </tr> <tr> <td>Kah Wui "Nic" Lim</td> <td>25/02/2014</td> </tr> <tr> <td>Nyap Liou "Larry" Gan</td> <td>31/03/2014</td> </tr> <tr> <td>Adrian Bunter</td> <td>6/6/2014</td> </tr> <tr> <td>Zoran Grujic</td> <td>25/02/2014</td> </tr> </tbody> </table>	Name	Join Date	Grant McCarthy	31/03/2014	Kah Wui "Nic" Lim	25/02/2014	Nyap Liou "Larry" Gan	31/03/2014	Adrian Bunter	6/6/2014	Zoran Grujic	25/02/2014
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2.4	A majority of the board of a listed entity should be independent directors.	Non-Complying	There are two independent directors and the Chairman is an independent director. 8common believes that, given the Company's size and its current operations, having a majority of independent directors would not necessarily improve the function of the Board.												
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.	Complying	Grant McCarthy has been Chairman of the Company since 31 March 2014 and was, at the date of appointment, and continues to be, independent. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions. The positions of Chairman and Chief Executive Officer are held by separate persons.												
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.	Complying	The Board of 8common will regularly review the directors as a group and whether they have the skills, knowledge and familiarity with 8common and its operating environment. Where necessary, 8common will provide additional resources to help develop and maintain directors' skills and knowledge. 8common will provide relevant information in future annual reports.												
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY															
3.1	<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>	Complying	The Company has adopted a Code of Conduct. 8common requires all its directors to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct. These include acting honestly and with integrity and fairness in all dealings.												

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	<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>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>	Complying
		<p>The Board has established an Audit Committee. The primary responsibility of which is to review and make recommendations to the Board as a whole. The Audit Committee consists of two independent non-executive directors and a non-independent, non-executive director. An independent non-executive director chairs the Committee.</p>

ASX RECOMMENDATION		STATUS	COMMENT
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.	Complying	The Board has received a declaration each from the CEO and CFO.
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.	Complying	The Auditor attended the AGM.
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: <ul style="list-style-type: none"> (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. 	Complying	The Board has adopted a policy to ensure compliance with the disclosure obligations of 8common under the Corporations Act and the ASX Listing Rules.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	8common has established a website and there is sufficient information to enable shareholders to be kept informed of major developments.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	8common has established a shareholders communications policy to support and implement an effective investor relations program, which will support its commitment to effective communication with shareholders including encouraging shareholders to participate at general meetings among other things.
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.	Complying	Shareholders are encouraged to attend the Company's Annual General meeting. The AGM ¹ is an opportunity for shareholders to hear the CEO and Chairman provide updates on Group performance, ask questions of the Board and vote on the various resolutions affecting the business. Shareholders are given an opportunity to ask questions of the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.
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.	Complying	Investors are able to communicate with the Company electronically by emailing ir@8common.com (available on the Website). Investors are also able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

ASX RECOMMENDATION	STATUS	COMMENT	
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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>(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 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>	Complying	<p>Given the size of 8common, the Board has not established a separate Risk Committee but will perform the function itself. Should circumstances change, its Board will consider establishing a separate Risk Management Committee.</p>
7.2	<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>	Complying	<p>The board reviewed the risk management framework of the company during the year.</p>
7.3	<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>	Complying	<p>Given the size of 8common, it is not intended to establish at this stage a separate internal audit function. The Board will deal with this issue as a whole. If circumstances change, the Company will consider establishing an internal audit function.</p>

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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.	Complying	<p>The Group's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation.</p> <p>The Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Group.</p>

ASX RECOMMENDATION	STATUS	COMMENT	
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration 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 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>	Complying	The Board has established a Remuneration Committee. The primary responsibility of which is to review and make recommendations to the Board as a whole. The Remuneration Committee consists of two independent non-executive directors and a non-independent, non-executive director. An independent non-executive director chairs the Committee.
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.	Complying	Disclosure regarding the remuneration of non-executive directors and executive directors is set out in the 2015 Annual Report.
8.3	<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>	Not Applicable	8common does not currently have an equity based remuneration scheme. Should circumstances change, the Company will disclose appropriate information in future annual reports.