

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Freelancer Limited

ABN / ARBN:

66 141 959 042

Financial year ended:

31 December 2018

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website:
<https://www.freelancer.com/investor#CorporateGovernance>

The Corporate Governance Statement is accurate and up to date as at 29 March 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 2 April 2019

Name of Director or Secretary authorising
lodgement:

Neil Katz, Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance and in our Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]:	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement ☒ in our Annual Report at https://www.freelancer.com/investor#ReportsAndPresentations	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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; (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 defined "senior executive" for these purposes); or (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.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement ☒ at https://www.freelancer.com/investor#CorporateGovernance ... and a copy of our diversity policy or a summary of it: ☒ at: https://www.freelancer.com/investor#CorporateGovernance ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement OR ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at [insert location] ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination 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 the period and the individual attendances of the members at those meetings; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at this location: The Director's Report of the Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ 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: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at [insert location]:	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and the length of service of each director: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at [insert location] ... and a copy of the charter of the committee: ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at this location: in our Annual Report at https://www.freelancer.com/investor#ReportsAndPresentations [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☒ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]:	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (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.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance	☐ an explanation why that is so in our Corporate Governance Statement
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.	... information about us and our governance on our website: ☒ at these locations: https://www.freelancer.com/investor under Corporate Governance and https://www.freelancer.com/about/management	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at [insert location]:	☐ an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement ☒ at this location: https://www.freelancer.com/investor under Corporate Governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement ☒ at https://www.freelancer.com/investor	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
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 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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☒ at this location: https://www.freelancer.com/investor#CorporateGovernance ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ at this location: https://www.freelancer.com/investor#ReportsAndPresentations and the Directors' Report of the Annual Report [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☒ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement OR ☒ at this location: https://www.freelancer.com/investor under Corporate Governance	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	... the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	... the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement OR ☐ at [insert location]	☐ an explanation why that is so in our Corporate Governance Statement



2018 Corporate Governance Statement

FREELANCER LIMITED ACN 141 959 042

Freelancer Limited (the Company) is committed to implementing the highest possible standards of corporate governance and ensures, wherever possible, that its practices are consistent with the Third Edition of the Australian Securities Exchange (ASX) Corporate Governance Council's Principles and Recommendations.

Each of the eight principles is listed in turn. In certain circumstances, due to the size and stage of development of the Company and its operations, it may not be practicable or necessary to implement the ASX Principles in their entirety. As such, the Company has identified the areas of divergence. The Policies and Charters referred to in this Corporate Governance Statement are available on the Company's website www.freelancer.com.

Principle 1 – Lay solid foundations for management and oversight

The Board's responsibilities are encompassed in a Charter which is available on the Company's website www.freelancer.com. The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:

- (1) oversight of the Company, including its control and accountability systems;
- (2) appointing and removing the Chief Executive Officer;
- (3) appointing and removing the Company Secretary;
- (4) appointing and removing the Chair;
- (5) Board and executive management development and succession planning;
- (6) input into and final approval of corporate strategy;
- (7) input into and final approval of the annual operating budget (including the capital management budget);
- (8) approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- (9) monitoring compliance with all relevant legal, tax and regulatory obligations;
- (10) reviewing and monitoring systems of risk management and internal compliance and controls;
- (11) codes of conduct, continuous disclosure, legal compliance, and other significant corporate policies;
- (12) at least annually, reviewing the effectiveness of the Company's implementation of its risk management system and internal control framework;
- (13) monitoring executive management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
- (14) approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders; and
- (15) appointment, reappointment or replacement of the external auditor.

Key responsibilities of the Board include the overseeing of the strategic direction of the Company, determining its policies and objectives and monitoring executive management performance.

Other matters are within the responsibility of management. The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board (and by officers to whom the management function is properly delegated by the Chief Executive Officer). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time they consider it appropriate.

To assist in carrying out its responsibilities, the Board has established the following committees of its members. They are:

- (1) Audit Committee; and
- (2) Nomination and Remuneration Committee.

The Chief Executive Officer and Senior Executive management have service contracts and position descriptions, setting out their duties, responsibilities, and conditions of service and termination entitlements. Any new Directors appointed will receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment. In addition, the Nomination and Remuneration Committee will engage external consultants where necessary to perform appropriate background checks on candidates for appointment as a director.

The Chief Executive Officer and Senior Executive management are subject to a formal performance review process on an annual basis. The Nomination and Remuneration Committee reviews the performance of the Chief Executive Officer and Senior Executive management against clear performance objectives. A performance review was undertaken in 2018.

The Company Secretary of the Company plays an important role in supporting the effectiveness of the Board and its Committees. The role of the Company Secretary includes:

- (1) advising the Board and its Committees on governance matters;
- (2) monitoring that Board and Committee Policy and Procedures are followed;
- (3) coordinating the timely completion and despatch of Board and Committee papers
- (4) ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- (5) helping to organise and facilitate the induction and professional development of directors.

Each director is able to communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a Company Secretary is made or approved by the Board.

Diversity Policy

In accordance with the ASX Recommendations on diversity, the Board established a Diversity Policy in 2013 which includes:

- (1) the establishment of measurable objectives for achieving diversity; and
- (2) a requirement for the Board to assess annually both these objectives and the progress in achieving them.

The Policy is available on the Company's website www.freelancer.com and the assessments will be reported in future Annual Reports.

The Company understands that encouraging diversity in our organisation is not just a socially responsible necessity, but that it is essential to our continued growth and vital to a successful future.

Given the size and nature of the current Board, the business and the industry in which we operate and therefore compete for talent, we have determined not to establish measurable objectives for achieving diversity for the 2018 and 2019 financial years. We assess the need at least annually for measurable objectives. Once measurable objectives are established, the internal diversity team will oversee the implementation of any new initiatives and regularly review existing initiatives to ensure and promote diversity.

As at 31 December 2018, the proportion of women employed by the Company was as follows:

- Board of Directors: 0%
- Senior Executive positions: 35.71%
- Total Company workforce: 37.01%

Workplace Gender Equality

The Workplace Gender Equality Act 2012 (WGE Act) puts a focus on promoting and improving gender equality and outcomes for both women and men in the workplace. All non-public sector employers with 100 or more employees are required to report annually under the WGE Act.

A copy of the Company's 2017-2018 report to the Workplace Gender Equality Agency will be available on the Company's website, (<https://www.freelancer.com/investor>) once completed.

Principle 2 – Structure the Board to add value

The Board has established a Nomination and Remuneration Committee which is responsible for:

- (1) assisting the Board with establishing a board of effective composition, size, diversity and commitment to adequately discharge its responsibilities and duties, and assist the Board with discharging its responsibilities to shareholders and other stakeholders to seek to ensure that the Company has policies to evaluate the performance of the Board, individual Directors and executives on (at least) an annual basis;
- (2) ensuring that the Company's remuneration policies, practices and structures are coherent, equitable and aligned with the long-term interests of the Company and its shareholders, having regard to relevant policies in attracting and retaining skilled executives that are challenging and will create value for shareholders;
- (3) the review and monitoring of the Group's remuneration and incentive framework applying to Non-Executive Directors, Executive Directors and Senior Executives and the associated strategies, systems, policies and processes implemented, and reported on, by management;
- (4) ensuring that the Group fairly and responsibly remunerates Directors and executives, having regard to the performance of the Company, the performance of the executives and the general remuneration environment;
- (5) ensuring that the Group has policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the Group's needs;
- (6) approving the remuneration and incentive awards of Senior Executives based on the recommendations of the Chief Executive Officer;
- (7) approval of pools of annual grants of equity and any other individual equity offers to Senior Executives and other Executives; and
- (8) identify suitable candidates to complement the existing Board and to make recommendations to the Board on their appointment.

Where a candidate is recommended by the Nomination and Remuneration Committee, the Board will assess that candidate against a range of criteria including background, experience, professional qualifications, personal qualities and cultural fit with the Board and the Company, as well as the potential for the candidate's skills to augment the skills of the existing Board. If these criteria are met and the Board appoints the candidate as a director, that director must have their appointment confirmed at the next Annual General Meeting. Before appointing a director, the Company undertakes comprehensive checks including employment, character reference, criminal record, experience, education and bankruptcy history.

The Committee's functions are to review and make recommendations to the Board on:

- (1) the review and monitoring and recommendation of changes to the remuneration and incentive framework (including the equity plan framework and any diversity considerations) for Non-Executive Directors, Executive Directors and Senior Executives;
- (2) the remuneration of Non-Executive Directors;
- (3) the fixed remuneration levels and incentive awards for the Chief Executive Officer and any other Executive Directors; and
- (4) performance based measures (financial and non-financial), targets and performance outcomes under incentive plans for the Executive Directors and Senior Executives.
- (5) whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and on Board Committees effectively and, where any gaps are identified, consider what training or development could be undertaken to fill those gaps.

The Company provides resources to help develop and maintain its directors' skills and knowledge. This includes, in the case of a director who does not have specialist accounting skills or knowledge, ensuring that he or she has a sufficient understanding of

accounting matters to fulfil his or her responsibilities in relation to the entity's financial statements. It also includes, for all directors, ensuring that they receive ongoing briefings on developments in accounting standards.

The Board reviews its performance and composition on an annual basis to ensure that it has the appropriate mix of expertise and experience. The Board also reviews the performance and composition of its committees on an annual basis.

The Nomination and Remuneration Committee meets as frequently as required and at least once a year. The quorum for such meetings is two members. Details of the Committee members' attendance at Committee meetings are set out in the Directors' Report.

The Board determines the Board's size and composition, subject to limits imposed by the Company's Constitution. The Constitution provides for a minimum of three Directors and a maximum of ten. At this time the Board comprises of three Directors, one of whom is an executive director and two of whom who are non-executive directors and all are not independent directors, including the Chairman.

A Director is deemed to be independent if he or she is a Non-Executive Director and:

- (1) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (2) has not been employed in an executive capacity in the Company in the last three years, or has not been a director after ceasing to hold such employment;
- (3) within the last three years has not been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of the Company;
- (4) has not acted as a material consultant, or an employee materially associated with the service provided, to the Company in the last three years;
- (5) is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (6) has no material contractual relationship with the Company other than as a Director; and
- (7) is free from any interest or business or other relationship which could materially interfere with his or her ability to act in the best interests of the Company and independently of management.

The test of independence for Directors is set out in detail under section 8 of the Board Charter, which is available on the Company's website www.freelancer.com. Materiality thresholds referred to above are assessed on a case-by-case basis.

The Board does not consist of a majority of independent Directors and the Chairman is not an Independent Director. The Board acknowledges the ASX Recommendation that a majority of the Board should be Independent Directors and that the Chairman should be an Independent Director. The Board believes that the Directors are able, and do make, quality and independent judgement in the best interests of the Company on all relevant issues before the Board. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the expense of the appointment of a majority of independent Directors. The Board also believes that each of the Directors brings objective and independent judgement to the Board's deliberations and that each of the Directors makes invaluable contributions to the Company through their deep understanding of the Company's business.

The Board aims to attract and maintain a Board which has an appropriate mix of skills, experience, expertise and diversity. For the names and particulars of the Directors of the Company during or since the end of the financial year, refer to the Directors' Report.

In order to facilitate independent judgement in decision making, each Director may seek independent professional advice at the Company's expense. If advice is sought by the Chairman, he must obtain Board approval if the fees for such advice exceed \$50,000 (exclusive of GST), such approval is not to be unreasonably withheld. Where advice is sought by the other Directors, prior written approval by the Chairman is required but approval will not be unreasonably withheld. If the Chairman refuses to give approval, the matter must be referred to the Board. All Directors are made aware of the professional advice sought and obtained.

Matt Barrie exercises both the role of Chairman and Chief Executive Officer of the Company. The Board acknowledges the ASX Recommendation that these roles should not be exercised by the same individual. The Board believes that Matt Barrie is the most appropriate person to lead the Board as Executive Chairman and that he is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that the Company as a whole benefits from his long standing experience of its operations and business relationships.

The Nomination and Remuneration Committee of the Board comprises of an Executive Director and two Non-Executive Directors, Messrs. R.M. Barrie, D.N.J. Williams and S.A. Clausen. None of the committee members are independent. Mr Clausen, who is a Non-Executive Director, is the Committee Chairman. The Committee Charter which is available on the Company's website www.freelancer.com, details the process and timing for re-election of directors. The Board's policy for nomination and appointment of Directors also forms part of the Charter.

The Company Constitution states that at each Annual General Meeting (AGM) one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the nearest number greater than one-third, shall retire from office. A retiring Director shall be eligible for re-election. No Director (other than a Director who is the Chief Executive Officer) may hold office without re-election past the third annual general meeting following their appointment or three years, whichever is longer or, in the case of a Director appointed by the Directors as an additional Director or to fill a casual vacancy, past the next annual general meeting of the Company. Any Director appointed by the Board since the last AGM must stand for election at the next AGM.

Subject to normal privacy requirements, each Director has the right of access to all of the Company's records, information and Senior Executives. They receive regular detailed reports on financial and operational aspects of the Company's business and may request elaboration or explanation of these reports at any time. Directors and Executives are encouraged to broaden their knowledge of the Company's business and to keep abreast of developments in business more generally by attendance at relevant courses, seminars, conferences, etc. The Company meets expenses involved in such activities.

Principle 3 – Act Ethically and Responsibly

The Board recognises the need to observe high standards of corporate practice and business conduct. Accordingly, the Board of Directors has adopted a formal Code of Conduct to be followed by all personnel and officers. The Code of Conduct also sets out the Company's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, bribery and corruption, and conflicts of interest.

The Code of Conduct is to be followed by all Directors, officers, employees, consultants of the Company and any entity related to or owned by the Company, and any other person when they represent the Company or any entity related to or owned by the Company. A copy of the Code is made available to Directors, officers, employees, consultants and relevant personnel and is available on our website, www.freelancer.com.

The Board has also implemented a range of procedures designed to oversee that the Company complies with the law and achieves high ethical standards in identifying and resolving or managing conflicts of interest.

As a part of active promotion of high standards of corporate practice and business conduct, behaviour that does not comply with the Code is encouraged to be reported. Protection is afforded to those who report violations in good faith.

The Company's Securities Trading Policy generally allows all Key Management Personnel and other employees of the Company or a related body corporate of the Company, consultants and advisers, and any other person designated by the Board to deal in the Company's securities other than:

- (1) during a Blackout Period (the period from the close of trading on the ASX at the end of each half year and full year until the close of trading on the day following the announcement to the ASX of the half year or full year results, or any other period that the Board specifies from time to time); or
- (2) while in possession of inside information concerning the Company (whether or not it is a Blackout Period) either:
 - a. buy or sell the Company's securities at any time;
 - b. procure another person to deal in the Company's securities in any way; or
 - c. directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to:
 - i. deal in the Company's securities in any way;
 - ii. procure a third person to deal in the Company's securities in any way; or
 - iii. pass that information onto another person.

All Key Management Personnel and other employees are prohibited from dealing in the securities of outside companies about which they acquire inside information through their position with the Company (whether or not it is a Blackout Period).

Principle 4 – Safeguard integrity in corporate reporting

The Board has established an Audit Committee comprising one Executive Director and two Non-Executive Directors, with appropriate experience.

Each Committee Member must be financially literate, have familiarity with financial management and an understanding of the industry in which the Company operates. At least one Committee Member should have financial expertise (that is, be a qualified accountant or other financial professional with financial and accounting experience).

Currently, the Committee comprises of Mr R.M. Barrie, Mr D.N.J. Williams (Chairman) and Mr S.A. Clausen. The members of the Committee are not independent Directors. The Chairman of the Committee is not Chairman of the Board.

The Board acknowledges the ASX Recommendations that the Audit Committee should consist only of non-executive Directors, have a majority of independent Directors and be chaired by an independent chair.

Due to the structure of the Board, the Company is not currently able to comply with this Recommendation. However, the Board believes that the experience and industry knowledge of the members of the Audit Committee will ensure objective and independent judgement in carrying out their responsibilities on this Committee. The Board will review the composition of the Audit Committee at an appropriate time in the future.

Appropriate management and representatives of the external auditor are to attend Committee meetings, at the invitation of the Committee Chairman, to provide reports and periodic presentations to the Committee.

The external auditors have a direct line of communication at any time to either the Chairman of the Audit Committee or the Chairman of the Board.

The Audit Committee is responsible for:

- (1) overseeing the process of financial reporting, internal control, continuous disclosure, financial and non-financial risk management and compliance and external audit;
- (2) encouraging effective relationships with, and communication between, the Board, Management and the Company's external auditor;
- (3) evaluating the adequacy of processes and controls established to identify and manage areas of potential financial risk and to seek to safeguard the assets of the Company;
- (4) overseeing that all proper remedial action is undertaken to redress areas of weakness;
- (5) overseeing the Group's compliance with prescribed policies;
- (6) reporting to the Board on any of the above responsibilities and functions;
- (7) recommending to the Board the appointment, reappointment or replacement of the external auditor;
- (8) approving rotation of partners of the external auditor;
- (9) reviewing and approving the audit plans and engagement letters of the external auditor, including payment of annual fees and variations to approved fees;
- (10) reviewing the overall scope of the external audit, including identified risk areas and any additional agreed-upon procedures;
- (11) considering the overall effectiveness and independence of the external auditor; and
- (12) resolving any disagreements between management and the external auditor regarding financial reporting.

The Committee has a formal Charter which is available on the Company's website, www.freelancer.com. The Committee meets as frequently as required and will meet at least twice a year. The quorum for such meetings is two members.

Details of the Committee members' attendance at Committee meetings are set out in the Directors' Report. The minutes of each Committee meeting are reviewed at the subsequent Board meeting and signed as an accurate record of proceedings. At the subsequent Board meeting, the Chairman of the Committee reports on the Committee's conclusions and recommendations. The Directors' Declarations are set out in the Directors' Declaration section approving the Company's financial statements for the financial period of 2017, received from the CEO and CFO.

The Company also requests the external auditor attend the Annual General Meeting and be available to answer shareholder questions about the audit and the preparation and content of the audit reports.

Principle 5 – Make timely and balanced disclosure

The Company has established a Continuous Disclosure Policy which applies to and is to be followed by all directors, officers, employees, consultants of the Company and any entity related to or owned by the Company, and any other person when they represent the Company or any entity related to or owned by the Company.

The Policy outlines the Company's commitment to complying with the continuous disclosure obligations contained in the ASX Listing Rules (Listing Rules) and the Corporations Act 2001 (Cth) (the Act).

The Policy is designed to provide a practical guide to the Company and its directors, officers, employees and consultants with practical guidance on the continuous disclosure obligations and to assess whether any particular information or event is required to be disclosed to the ASX.

The Board recognizes the need to ensure that the management and dissemination of accurate market sensitive information is made in accordance with the requirements of the Listing Rules and the Act so that all shareholders and market participants have an equal opportunity to participate in a fair, orderly and transparent market in the securities of the Company.

Type of information that needs to be disclosed

The Company must immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless that information is within the exceptions to the disclosure requirement as set out in the Listing Rules and the Act as set out above. Examples of such information include a change in financial forecasts, revenue, significant changes in asset values or significant transactions. All information disclosed to the ASX is provided to Directors as soon as possible after the ASX has confirmed receipt of same.

ASX Communications Officer

The Board has appointed the Company Secretary as the principle officer for communicating with the ASX in relation to all Listing Rule matters, overseeing the disclosure of information to the ASX and coordinating the review process for deciding whether any information or event is required to be disclosed monitoring the disclosure practices of the Company.

Principle 6 – Respect the rights of security holders

The Board's aim is to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and that they are informed of all major developments affecting the state of affairs of the Company relevant to Shareholders in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX and publishing information on the Company's website, www.freelancer.com.

In particular, the Company's website will contain information about it, including media releases, key policies and the terms of reference of its Board committees. A link to all relevant announcements made to the market and any other relevant information will be available on the Company's website as soon as they have been released to the ASX.

The Company also communicates with shareholders through the:

- (1) Annual Reports and Financial Statements which are available to all shareholders;
- (2) invitation to the annual general meeting and all accompanying papers;
- (3) Company's website, www.freelancer.com;
- (4) reports to the ASX and the press;
- (5) half year and full year profit announcements; and
- (6) information and presentations to analysts (which are released to the ASX).

Shareholders may send communications to the Company and its share registry provider electronically. The relevant contact details are under "Shareholder Information" in the Investor section of the Company's website.

Shareholders who do not currently receive electronic communications from Boardroom may update their communication preferences via a secure, online service offered by the Company's share registry provider.

The Annual General Meeting also provides an important opportunity for shareholders to express their views and respond to initiatives being proposed by the Board.

In accordance with Principle 6 of the ASX Principles, the Company has established a Communications Policy, incorporating matters disclosed above. The Policy is available on the Company's website, www.freelancer.com.

Principle 7 – Recognise and manage risk

Risk oversight and management policies

The identification and proper management of the Company's risks are an important priority of the Board. The Company has adopted a Risk Management Policy appropriate for its business. The Policy highlights the risks relevant to the Company's operations and the Company's commitment to designing and implementing systems and methods appropriate to minimise and control its risks. The Board is responsible for overseeing and approving risk management strategy and policies.

The Board acknowledges the ASX recommendation that the Company should have a Risk Committee. Due to the size and scale of operations of the Company, a Risk Committee is not established and the Board oversees the risk management framework. Management is responsible for identifying major risk areas and monitoring risk management to provide assurance that major business risks are identified, consistently assessed and appropriately addressed and must report on these matters to the Board.

The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer and Chief Financial Officer to provide the required declarations under section 295A of the Corporations Act. The Company has in place a system whereby management is required to report as to its adherence to policies and guidelines approved by the Board for the management of risks.

The key aspects of this Risk Management Policy are:

- (1) Establishing the context;
- (2) Risk identification;
- (3) Risk analysis;
- (4) Risk evaluation;
- (5) Risk treatment;
- (6) Communication & consultation; and
- (7) Monitoring and review.

As required by the ASX Principles, Executive management has reported to the Board on the effectiveness of the management of its material business risks. The ultimate responsibility for risk oversight and management rests with the Board.

Due to the size and scale of operations of the Company, there is no separate internal audit function.

The Company monitors its exposure to risks to the business including economic, social, governance, and environmental sustainability risks. Material business risks are described in the Company FY2017 Annual Report, which also outlines the Company's key business activities and performance during the year, as well as its key strategies.

Principle 8 – Remunerate fairly and responsibly

The Board has established a Nomination and Remuneration Committee to consider and report on, among other matters, remuneration policies and packages applicable to Board members and to Senior Executives of the Company.

Currently, the Committee comprises of Mr R.M. Barrie, Mr D.N.J. Williams and Mr S.A. Clausen (Chairman). The members of the Committee are not independent Directors. The Chairman of the Committee is not Chairman of the Board.

The objectives of the Company's Nomination and Remuneration Committee (Committee) are to assist the Board in fulfilling its corporate governance responsibilities in relation to:

- a. remuneration matters, including:
 - i. the remuneration framework for Non-Executive Directors;
 - ii. the remuneration and incentive framework, including any proposed equity incentive awards, for the Chief Executive Officer, any other Executive Directors and all executives that report directly to the Chief Executive Officer (**Senior Executives**);
 - iii. recommendations and decisions (as relevant) on remuneration and incentive awards for the Chief Executive Officer, any other Executive Directors and Senior Executives; and
 - iv. strategic human resources policies; and
- b. nomination matters, including:
 - i. Board appointments, re-elections and performance;
 - ii. Directors' induction programs and continuing development;
 - iii. Committee membership;
 - iv. endorsement of Senior Executive appointments; and
 - v. diversity obligations.

The Chief Executive Officer, appropriate management and representatives of any external adviser are to attend such portion of each meeting as requested by the Committee Chairman. An Executive is not to be present when the Committee discusses issues relating to that Executive.

The Committee will review and make recommendations to the Board on remuneration matters, including:

- a. the review and monitoring and recommendation of changes to the remuneration and incentive framework (including the equity plan framework and any diversity considerations) for Non-Executive Directors, Executive Directors and Senior Executives;
- b. the remuneration of Non-Executive Directors;
- c. the fixed remuneration levels and incentive awards for the Chief Executive Officer and any other Executive Directors; and
- d. performance based measures (financial and non-financial), targets and performance outcomes under incentive plans for the Executive Directors and Senior Executives.