

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Introduced 01/07/14 Amended 02/11/15

Name of entity

IVE Group Limited

ABN / ARBN

62 606 252 644

Financial year ended:

30 June 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:

<http://investors.ivegroup.com.au/home/>

The Corporate Governance Statement is accurate and up to date as at 31 July 2018 and has been approved by the board.

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

Date: 27 August 2018

Name of Secretary authorising lodgement:

Emma Lawler



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. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... 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): ☒ Board Charter is available at this URL on our website: http://investors.ivegroup.com.au/home/	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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 ☒ Board Charter is available at this URL on our website: http://investors.ivegroup.com.au/home/	☐ 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.

Key to Disclosures Corporate Governance Council Principles and Recommendations

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. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and a copy of our diversity policy or a summary of it: ☒ Diversity Policy which is available at this URL on our website: http://investors.ivegroup.com.au/home/ ... 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. ☐ available at this URL at our website: ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ and www.wgea.gov.au/report/public-reports.	☒ 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. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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): ... and a copy of the charter of the committee: ☒ Remuneration and Nomination Committee Charter which is available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the information referred to in paragraphs (4): ☒ in our Corporate Governance Statement ... and the information referred to in paragraphs (5): ☒ in the Directors' Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/ Paragraph (b) is not applicable.	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the length of service of each director: ☒ in the Directors' Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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 in relation to the Chair not being an independent director 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and a copy of the charter of the committee: ☒ Audit and Risk Committee Charter which is available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☒ in the Directors' Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/ Paragraph (b) is not applicable.	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ an explanation why that is so in our Corporate Governance Statement
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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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: ☒ in our Corporate Governance Statement ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ 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
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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 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. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and a copy of the charter of the committee: ☒ Audit and Risk Committee Charter which is available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the information referred to in paragraph (4): ☒ in our Corporate Governance Statement ... and the information referred to in paragraph (5): ☒ in the Directors' Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/ Paragraph (b) is not applicable.	☐ an explanation why that is so in our Corporate Governance Statement
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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement.	☐ an explanation why that is so in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

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
7.3	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 ☐ available at this URL at our website: http://investors.ivegroup.com.au/home/ [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 OR ☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/	☐ an explanation why that is so in our Corporate Governance Statement

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

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 ☒ at available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and a copy of the charter of the committee: ☒ Remuneration and Nomination Committee Charter which is available at this URL at our website: http://investors.ivegroup.com.au/home/ ... and the information referred to in paragraph (4): ☒ in our Corporate Governance Statement and the information referred to in paragraph (5): ☒ in the Directors' Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/ Paragraph (b) is not applicable.	☐ 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 ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ and ☒ in the Remuneration Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/	☐ 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

Key to Disclosures Corporate Governance Council Principles and Recommendations

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. ☒ available at this URL at our website: http://investors.ivegroup.com.au/home/ and ☒ in the Remuneration Report contained within the Annual Report and is available at this URL on our website: http://investors.ivegroup.com.au/home/	☐ 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

IVE GROUP LIMITED

ABN 62 606 252 644

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

Corporate Governance Statement

For the year ended 30 June 2018

The Board is responsible for the overall corporate governance of IVE Group Limited (**IVE**, the **IVE Group**, or the **Company**), including adopting appropriate policies and procedures designed to ensure that IVE is properly managed to protect and enhance Shareholder interests.

The Board monitors the operational and financial position and performance of IVE and oversees its business strategy, including approving the strategic goals of IVE. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of IVE.

In conducting business with these objectives, the Board is committed to ensuring that IVE is properly managed to protect and enhance Shareholder interests, and that IVE, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing IVE, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for IVE's business and that are designed to promote the responsible management and conduct of IVE.

Details of IVE's key governance policies and the charters for the Board and each of its committees are available on IVE's website at <http://investors.ivegroup.com.au/home/>.

This Corporate Governance Statement reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in this Corporate Governance Statement are current as at 31 July 2018. It has been approved by the Board and is available on the IVE website under Investors at <http://investors.ivegroup.com.au/home/>.

Principle 1: The Board lays solid foundations for management and oversight

Role and responsibilities of the Board and management

The Board is responsible for the overall direction of IVE with oversight and review of the management, administration and overall governance of IVE.

The Board Charter provides a framework for the effective operation of the Board. The Board Charter sets out (among other things) the:

- Board's composition and process;
- Board's role and responsibilities;
- relationship and interaction between the Board and management; and
- authority delegated by the Board to management and Board committees.

The Board's role is to, among other things:

- represent and serve the interests of Shareholders by overseeing and appraising IVE's strategies, policies and performance;
- protect and optimise IVE's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with IVE's values and governance framework (including establishing and observing high ethical standards); and
- ensure Shareholders are kept informed of IVE's performance and major developments affecting its state of affairs.

Matters that are specifically reserved for the Board or its committees include:

- appointment of the Chairman;
- appointment and removal of the Managing Director;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;

Corporate Governance Statement

For the year ended 30 June 2018

- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of Shareholders; and
- any other specific matters nominated by the Board from time to time.

The management function is conducted by, or under the supervision of, the Executive Chairman and Managing Director as directed by the Board (and by other officers to whom the management function is properly delegated by either the Chairman or Managing Director).

The Board has established the following committees to assist it in discharging its functions:

- Audit, Risk and Compliance Committee (**ARCC**); and
- Nomination and Remuneration Committee (**NRC**).

The Board's responsibilities are set out in the Board Charter, which is available on the IVE website under Investors: <http://investors.ivegroup.com.au/home/>.

Access to information and independent professional advice

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.

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman, or the Board as a whole.

Board meetings

The Board holds regular meetings and meets as frequently as required.

For details of the current Directors, their qualifications, skills and experience, refer to 'Information on Directors' in the Directors' Report contained within the Annual Report. For details of Directors' attendance at Board and committee Meetings for the year ended 30 June 2018, refer to 'Meetings of Directors in the Directors' Report contained within the Annual Report.

Appointment and re-election of Directors

The Board, together with the NRC, determines the size and composition of the Board, subject to the terms of the Constitution.

The Board comprises Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. When appointing new Directors, the Board, together with the NRC, will review the skills represented by Directors on the Board and determine whether the composition and mix of those skills remain appropriate for IVE's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-executive Directors.

At the commencement of the Director selection process, IVE undertakes appropriate checks on potential candidates to consider their suitability.

In addition, shareholders will be provided with details about each Director for election or re-election in the notice of meeting for the Annual General Meeting (**AGM**) to enable Shareholders to make a decision on election/re-election.

IVE enters into a written agreement with each Director and senior executive setting out the terms of the Director's or senior executive's appointment.

Company Secretary

All Directors have direct access to the Company Secretary who is responsible to the Board on all matters relating to the conduct and functions of the Board and committees. The Company Secretary's responsibilities are set out in the Board Charter, which is available on the IVE website under Investors: <http://investors.ivegroup.com.au/home/>.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

Diversity and Inclusion

IVE values a strong and diverse workforce and is committed to promoting a corporate culture that embraces diversity and inclusion. The Board reviewed and updated the Diversity and Inclusion Policy (**Policy**) during the year. The Policy actively facilitates a more diverse and representative leadership, management and companywide structure. IVE is committed to ensuring diversity permeates all areas and levels of the business, with every individual feeling included, safe and supported to express themselves authentically in IVE activities.

On an annual basis, the NRC is responsible for reviewing the:

- effectiveness of the Diversity and Inclusion Policy by:
 - assessing IVE's progress towards the achievement of any measureable objectives and any strategies aimed at achieving the objectives; and
 - reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented; and
- relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the IVE Group and submit a report to the Board outlining the findings.

The NRC and Board reviewed IVE's approach to diversity during the year and the Company has established a Diversity & Inclusion Program (**D&I Program**) to support diversity. The D&I Program is supported by a Diversity Committee which includes representatives of the Senior Leadership team and the broader workforce. The Company has set cornerstone actions on diversity and inclusion which are key initiatives that encompass all employee groups and form the basis and action framework of the D&I Program. The cornerstone actions and progress on those actions are as follows:

Cornerstone Action	Progress
Establishing the IVE Diversity Committee. A representative cross-section of IVE employees from all business groups, championed by the Senior Leadership Team (SLT)	Committee has been established and is meeting quarterly
Mainstreaming flexible working arrangements into business practices where possible	Completed review and update of IVE's flexibility policy
Challenging and mitigating bias, through awareness training and education	Working with Diversity Council Australia to develop and deliver appropriate awareness training for leadership and management teams in early F19
Providing Employee Assistance Program (EAP) services, along with access to other broad lifestyle benefits to employees and their families, recognising the importance of a nourishing and balanced work-family-life relationship	EAP service in place. Launched with IVE Plus in 2015 – employee wellness and benefits program
Celebrating diversity through ongoing awareness campaigns and special events	Marketing and communications internally to increase awareness of diversity & inclusion events
Partnership with community groups and national ally networks and associations	Member of Diversity Council Australia, Pride in Diversity and Australian Network on Disability

At this stage, IVE has not yet set measurable objectives related to gender, although this will be considered in the future. The senior leadership team has been a very stable team, however in all recruitment, diversity is considered. The Board appointment process is managed by the NRC and focusses on meeting the skills and experience required. No new Directors were appointed during FY18, however the last Director appointed to the Board was Sandra Hook in June 2016.

The Diversity Policy is available on the IVE website under Investors at: <http://investors.ivegroup.com.au/home/>.

IVE is a "relevant employer" under the Workplace Gender Equality Act 2012 and its most recent "Gender Equality Indicators" can be found in its latest public report to The Workplace Gender Equality Agency at www.wgea.gov.au/report/public-reports. Note this report was submitted by two entities within the IVE Group – IVE Employment (Australia) Pty Ltd, IVE's employment entity Pareto Phone Pty Ltd.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

IVE's workforce diversity is as follows:

Female employees as a percentage of workforce participation as at 30 June 2018 (against 30 June 2017)

Group	Females 30 June 2017	Females 30 June 2018	Males 30 June 2017	Males 30 June 2018
Board	14%	14%	86%	86%
Non-executive Board Directors	20%	25%	80%	75%
Senior Leadership Team*	11%	27%	89%	73%
Overall for IVE Group	30%	31%	70%	69%

*Senior executives is the level reporting to the Managing Director and excludes the Chairman and Managing Director who are included in the Board statistics.

Performance review of the Board

The NRC is responsible for establishing the processes for reviewing the performance of the Board, the Board's committees and individual Directors.

During the year ended 30 June 2018, the Board conducted a performance evaluation. This involved a self-assessment survey, developed by the Chairman of the NRC and the Company Secretary. The survey was completed by each Director and covered Board composition, Board and Committee operations and individual Director contributions. After the results of the surveys were collated, the opportunities for improvement were discussed by the NRC and communicated to the Board. Overall the results were very positive and the areas identified for improvement will be addressed during FY19. As part of the review, the NRC revisited progress against actions identified from the 2017 process and found good progress in all areas identified.

The Board self-assessment process also included a review of Directors seeking re-election at the AGM to enable a recommendation to be made by the Board to Shareholders.

Performance review of executive management

The NRC is responsible for reviewing and recommending arrangements for the executive Directors, including the Managing Director, and the executives reporting to the Managing Director, including contract terms, annual remuneration and participation in IVE's short and long term incentive plans.

The performance of executives is monitored regularly by the Chairman and Managing Director at business performance review meetings and performance is measured through a combination of both individual and financial key performance indicators. The Board monitors the performance of the Chairman in his executive role through reviewing the business performance at each Board meeting and the performance against key financial performance indicators. This process was followed throughout the year.

Further detail on performance indicators for long term incentive plans is provided in the Remuneration Report contained within the Annual Report.

Principle 2: The Board is structured to add value

Nomination and Remuneration Committee (NRC)

The NRC:

- has three members, all independent Non-executive Directors;
- is chaired by Gavin Bell, who is an independent Non-executive Director. The other members are Sandra Hook and James Todd, each independent Non-executive Directors;
- has a Charter, which is available on the IVE website under Investors: <http://investors.ivegroup.com.au/home/>; and

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

- in its function as a nominations committee, assists the Board in fulfilling its corporate governance responsibilities in regard to:
 - developing 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;
 - reviewing and recommending to the Board:
 - the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and Managing Director;
 - the criteria for Board membership;
 - the composition and membership of the Board;
 - facilitating performance evaluation of the Board, its committees and individual Directors and developing and implementing plans for identifying, assessing and enhancing Director competencies;
 - reviewing and making recommendations in relation to any corporate governance issues as requested by the Board from time to time;
 - implementing and reviewing a Director induction process and provide appropriate professional development opportunities for Directors;
 - annually reviewing the Diversity Policy and reporting to the Board in accordance with the Diversity Policy.

The NRC may obtain information from, and consult with, management and external advisers, as it considers appropriate.

For details of the number of NRC meetings and the attendance at those meetings, refer to 'Meetings of Directors' in the Directors' report contained within the Annual Report.

Non-executive Directors inform the Chairman before accepting any new appointment as a Director of another listed entity, any other material directorship or other position with a significant time commitment attached.

Board Skills Matrix

The Board seeks to ensure that it has the appropriate mix of skills, knowledge and experience to guide IVE and assist management achieve the strategic objectives set by the Board.

As part of this process, the Board prepared and considered a board skills matrix which was reviewed in FY18. The board skills matrix looks at the current skills and diversity of the Board and its needs going forward. The Board considers that there is currently an appropriate mix of skills, diversity and experience on the Board, taking into account the size of IVE and the nature of IVE's operations.

The mix of skills and experience in the current Board, and that the Board would look to maintain, and build on, includes:

Industry Experience Understanding of the sectors in which IVE operates	Strategy Ability to identify and critically assess strategic opportunities and threats to the organization. Develop strategies in context to our policies and business objectives
Remuneration Ability to review and make recommendations regarding remuneration structures, including equity incentives	Risk Management Identify and monitor key risks to the organisation related to each key area of operations
Legal and Governance Ability to review legal, regulatory and governance developments and impact on IVE	Management Experience in evaluating performance of senior management, and oversee strategic human capital planning
Mergers and Acquisitions Experience in identifying and managing the process for mergers and acquisitions, including integration	Interpersonal skills • leadership • ethics and integrity • contribution
Other • Diversity • Previous Board experience	

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

The skills matrix was reviewed during the year and the NRC agreed it remains appropriate. The Board will continue to monitor and update the skills matrix at least annually to ensure that as IVE develops the Board comprises the appropriate mix of skills and experience.

The Board recognises the importance of succession and renewal. It continues to monitor the Board composition accordingly.

Independence

The Board comprises seven Directors, including an Executive Chairman, Managing Director, four independent Non-executive Directors and one additional Executive Director.

The Board considers an independent Director to be a Non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the Director's ability to act in the best interests of IVE. The Board considers the materiality of any relationship on a case by case basis and has adopted materiality guidelines in this regard. The Board regularly reviews the independence of Directors. A full explanation of the criteria used to determine independence of Directors can be found in the Board Charter, available on the IVE website under Investors: <http://investors.ivegroup.com.au/home/>.

Currently four of the seven Directors are independent as detailed in the table below, allowing for a majority of Independent Directors. The Independent Directors meet separately as a group if necessary.

Director	Independence status	Length of service/ Appointment date
Geoff Selig (<i>Chairman</i>)	Not independent as Executive Chairman of IVE and a Director of Caxton Print Holdings, a substantial shareholder in IVE	June 2015*
Warwick Hay	Not independent as Managing Director of IVE	November 2015
Gavin Bell	Independent	November 2015
Andrew Harrison	Independent	November 2015
Sandra Hook	Independent	June 2016
Paul Selig	Not independent as an Executive Director and a Director of Caxton Print Holdings, a substantial shareholder in IVE	June 2015*
James Todd	Independent	June 2015*

*Note each of these Directors were Directors of IVE Group from 2012, although they were not appointed to IVE Group Limited until its incorporation in 2015.

The Chairman is an Executive Director and there is a clear division of responsibility between the Chairman and the Managing Director. Recommendation 2.5 of the ASX Principles recommends that the Chairman should be an independent Non-executive Director. This recommendation has not been followed and the Board is satisfied that having an Executive Chairman is appropriate for IVE at this stage as the benefits of the experience with the business over time that the Chairman brings outweigh the benefits of having an independent Non-executive Director in the role. In addition, the Board has appointed Gavin Bell as the Lead Independent Director to fulfil the role of Chair whenever the Executive Chairman is conflicted and to assist in reviewing the Executive Chairman's performance as part of the Board performance evaluation process.

For details of the current Directors, their qualifications, skills and experience refer to 'Information on Directors' in the Directors' Report.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

Induction and education

The NRC is responsible for implementing an induction program for all new Directors and ensuring that IVE provides appropriate professional development opportunities for continuing Directors.

There were no new Directors appointed in FY18.

To achieve continuing improvement in Board performance, all Directors are encouraged to undergo regular professional development. In FY18, the Directors attended site visits at Franklin WEB NSW, Pareto Phone in Brisbane, Blue Star CONNECT and IVEO/Kalido in Melbourne to better understand the operations of the business and to discuss the business with key staff. In addition the Board received detailed presentations on workplace, health and safety responsibilities and programs at IVE and IVE's future strategic direction.

Principle 3: The Board promotes ethical and responsible decision-making

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board adopted the Code of Conduct, which outlines how IVE expects its representatives to behave and conduct business in the workplace and includes legal compliance and guidelines on appropriate ethical standards. All employees of IVE (including temporary employees, contractors and the IVE's Directors) must comply with the Code of Conduct.

The Code of Conduct is designed to:

- provide a benchmark for professional behaviour throughout IVE;
- support IVE's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the Code of Conduct.

The Code of Conduct is available on the IVE website under Investors at: <http://investors.ivegroup.com.au/home/>.

Securities Dealing Policy

IVE has adopted the Securities Dealing Policy that:

- explains the types of conduct in relation to dealings in securities that are prohibited under the Corporations Act; and
- establishes a procedure for the buying and selling of securities that protects IVE Directors and employees against the misuse of unpublished information that could materially affect the value of securities.

The Securities Dealing Policy applies to all Directors, officers, senior executives and employees of the IVE Group, and their connected persons.

The Securities Dealing Policy sets out restrictions that apply to dealing with securities, including "blackout periods", during which relevant persons are not permitted to deal in securities (except in exceptional circumstances) and a procedure under which Directors and senior executives (and their connected persons) may deal in certain other periods subject to approval

The Securities Dealing Policy is available on the IVE website under Investors at: <http://investors.ivegroup.com.au/home/>.

Principle 4: The Board safeguards integrity in financial reporting

Audit, Risk and Compliance Committee (ARCC)

The ARCC:

- has three members, all Independent Non-executive Directors;
- is chaired by Andrew Harrison, who is an independent Non-executive Director. Other members are Gavin Bell and James Todd, each Independent Non-executive Directors; and
- has a Charter that is available on the IVE website under Investors at: <http://investors.ivegroup.com.au/home/>.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

In accordance with its charter, all members of the ARCC are financially literate and have familiarity with financial management. In addition, the Chair of the ARCC is a Chartered Accountant. For further details regarding the qualifications of the members of the ARCC refer to the Directors' Report contained within the Annual Report. The primary roles of the ARCC includes:

- overseeing the process of financial reporting (including to assist the Managing Director and CFO to provide the declaration under section 295A of the Corporations Act), internal control, continuous disclosure, financial and non-financial risk management and compliance and external audit;
- monitoring IVE's compliance with laws and regulations and IVE's own policies;
- encouraging effective relationships with, and communication between, the Board, management and IVE's external auditor; and
- evaluating and making recommendations in relation to the adequacy and effectiveness of IVE's risk management and internal control processes established to identify and manage areas of potential risk and to seek to safeguard the assets of IVE, noting that IVE does not have a formal internal audit function.

The ARCC's roles in relation to audit include reviewing and making recommendations to the Board in relation to the:

- reporting of financial information;
- appropriate application and amendment of accounting policies; and
- appointment, independence and remuneration of the external auditor.

Under the ARCC Charter, it is the policy of IVE that its external auditing firm must be independent of it. The ARCC will review and assess the independence of the external auditor on an annual basis.

The ARCC may obtain information from, and consult with, management, the external auditor and external advisers, as it considers appropriate. The ARCC also has access to the external auditor to discuss matters without management being present.

For details regarding the number of ARCC meetings and the attendance at those meetings, refer to 'Meetings of Directors' in the Directors' Report contained within the Annual Report.

Selection and rotation of the external auditor

The ARCC is responsible for recommending to the Board the appointment, removal or replacement of the external auditor and its signing partner, the terms of appointment, any re-appointment and fees. In FY18, the Lead Partner of IVE's auditor KPMG rotated following five years in the role with IVE.

CEO and CFO declaration

Prior to Board approval of IVE's half year and annual financial reports, the Executive Chairman and CFO provide the Board with declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles.

For the half year ended 31 December 2017 and the financial year ended 30 June 2018, the Managing Director and CFO made a declaration in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively.

Auditor at AGM

At IVE's AGM, the external auditor attends and is available to answer Shareholder questions on the:

- conduct of the audit;
- preparation and content of the external auditor's report;
- accounting policies adopted by IVE in relation to the preparation of the financial statements; and
- independence of the auditor in relation to the conduct of the audit.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

Principle 5: The Board makes timely and balanced disclosure

The Board's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of the IVE Group.

IVE has adopted the Continuous Disclosure Policy to ensure compliance with the explicit requirements and the spirit and intent of its disclosure obligations under the Corporations Act and ASX Listing Rules.

Under the Continuous Disclosure Policy, a Disclosure Committee has responsibility for compliance with IVE's continuous disclosure obligations. The Disclosure Committee is comprised of the Executive Chairman, Managing Director and CFO (or their delegates) and meets as required to assess disclosure matters. The Disclosure Committee is responsible for:

- overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public; and
- obtaining approval from the Managing Director, CFO and Chairman (or the Board where required) for disclosure.

The Company Secretary has primary responsibility for all communication with ASX in relation to ASX Listing Rule matters.

The Continuous Disclosure Policy is available on the IVE website under Investors at:

<http://investors.ivegroup.com.au/home/>.

Principle 6: The Board respects the rights of Shareholders

IVE respects the rights of its Shareholders and to facilitate the effective exercise of those rights, IVE has adopted the Communications Strategy, which is available on the IVE website under Investors at:

<http://investors.ivegroup.com.au/home/>.

This strategy facilitates effective two-way communication with investors through information provided on the website, shareholder meetings, ability to contact IVE or its share registry with any questions and ability to sign up for Investor Updates via email.

Company website

IVE's website is at <http://www.ivegroup.com.au/> and is regularly kept up-to-date to maintain effective communication with Shareholders and stakeholders.

The following information is available on the website:

- all ASX announcements made to the market since listing on the ASX, including annual and half year financial results, are posted on IVE's website at <http://investors.ivegroup.com.au/home/> as soon as they have been released by the ASX;
- notices of meetings and explanatory material, IVE's Annual Report and copies of all investor presentations made to analysts and media briefings;
- company profile and brands;
- members of the Board and senior leadership team;
- corporate governance charters and policies;
- details of IVE's corporate social responsibility; and
- contact details.

Alternatively, Company announcements can be accessed from the 'announcements' section of the ASX website (ASX code: IGL).

Shareholder engagement and participation

The contact details of IVE and its share registry (see below under 'electronic communications') are available to Shareholders to address and facilitate any Shareholder-related enquiries.

IVE will be holding its 2018 AGM in Sydney. To encourage Shareholder engagement and participation at the AGM, Shareholders have the opportunity to attend the AGM, ask questions from the floor, participate in voting and meet the Board and executive management in person.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

Shareholders who are unable to attend the AGM are encouraged to vote on the proposed motions by appointing a proxy via the proxy form accompanying the notice of meeting or online through the share registry's website. Shareholders have the opportunity to submit written questions to IVE and external auditor, or make comments on the management of IVE and access AGM presentations and speeches made by the Chairman and Managing Director prior to the commencement of the meeting. IVE will publish results of the meeting to the ASX and on its website following the conclusion of the AGM.

Electronic communications

IVE's contact details are available on the IVE website under 'contact'. Shareholders can also contact its share registry, Link Market Services at registrars@linkmarketservices.com.au

Shareholders may elect to receive all Shareholder communications (including notification that the annual report is available to view, notices of meeting and payment statements) by email. Electronic communications have the added advantage of being more timely and cost effective, which benefits all Shareholders. Shareholders should contact Link Market Services if they want to elect to receive electronic communications.

Principle 7: The Board recognises and manages risk

Audit, Risk and Compliance Committee (ARCC)

In its function as a risk committee, the ARCC assists the Board in fulfilling its corporate governance responsibilities in regard to oversight of IVE's risk management system and internal control systems.

Details of the ARCC and its membership are contained in the disclosure under Principle 4. For details regarding the number of ARCC meetings and the attendance at those meetings, refer to 'Meetings of Directors' in the Directors' Report contained within the Annual Report.

Risk management policy

IVE's ARCC Charter sets out the requirements, roles and responsibilities for managing risks across the IVE Group. The ARCC Charter is available on the IVE website under Investors at: <http://investors.ivegroup.com.au/home/>.

The ARCC's primary role with respect to risk management and compliance are to review and report to the Board that:

- the ARCC has, at least annually, reviewed IVE's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;
- adequate policies and processes have been designed and implemented to manage identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

During the financial year ended 30 June 2018, the Board (through the ARCC) conducted an annual review of IVE's material risks and the relevant controls as identified on the risk register. In addition, the Risk Management Framework Policy which clearly documents the risk management framework was reviewed during 2018.

IVE has in place a risk management system designed to ensure that it explicitly identifies the risks it faces and has measures in place to keep those risks to an acceptable minimum. The existence of risk presents both threats and opportunities to IVE.

Risk owners have been assigned responsibility for the identified risks in the Risk Register. It is their responsibility to ensure the controls in respect of the risk are adequate and appropriately implemented.

IVE's Risk Assessment Matrix is used as the benchmark in planning and implementing the risk management measures. It takes into consideration the nature, scale and complexity of the business.

The risk management systems for IVE:

- ensure that processes to identify, assess and treat risks are clearly documented;
- ensure these processes are suitable for IVE's objectives and operations; and
- enable regular review, on at least an annual basis for currency, appropriateness, effectiveness and relevance to the business.

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

The risk management system is dynamic and is designed to adapt to IVE's developments and any changes in the risk profile over time. Compliance measures are used as a tool to address identified risks.

The risk management system is based on a structured and systemic process which takes into account IVE's internal and external risks.

IVE's risks may come from any internal or external event which, if it occurs, may affect the ability to efficiently and effectively operate:

- **Internal risks** – those risks that specifically relate to IVE's business itself and as such as generally within its control. They include risks such as employee related risks, strategic risks, and financial risks.
- **External risks** – those risks that are outside the control of IVE. They include risks such as market conditions and legislative change.

Risks are managed by IVE through the effective implementation of various controls, which include:

- Board approved risk management framework;
- maintenance of risk register; and
- regular review of risks and controls, particularly as the business changes.

Senior Management has reported to the Board (through the ARCC) on the effectiveness of the management of the material risks faced by IVE during the financial year ended 30 June 2018. The Board (through the ARCC) has reviewed the risk management framework and is satisfied that it continues to be sound.

Internal audit

Due to the size and current stage of development of IVE, IVE does not have an independent internal audit function. Oversight of the effectiveness of IVE's risk management and internal control processes currently form part of the responsibilities of management. As IVE continues to develop, the ARCC will consider establishing an independent internal audit function.

Economic, environmental and social sustainability risks

IVE has exposures to economic sustainability risks, including:

- Market risk which includes the competitive landscape, key customer relationships, demand for products and services, successful integration of acquisitions and keeping up to date with technology. The adverse effects that could be caused by these risks includes downward pricing pressure, impair IVE's ability to retain existing customers or win new customers and lower utilisation of assets.
- Financial risks which include foreign exchange fluctuations, availability of inputs and changes in input costs and seasonal revenue. The effects of these risks could be lower profitability.

These risks are managed by General Managers and the Senior Leadership Team regularly reviewing and evolving the product and service offering, ensuring thorough due diligence processes for any acquisitions, clear foreign exchange policies and practices and constant review of financial performance and drivers of any changes.

IVE does not have material exposures to environmental and social sustainability risks, although IVE's approach to managing these risks is outlined below.

IVE applies best practice environmental management. IVE's environmental and quality management systems form a critical component of its market leading production, warehouse and distribution facilities. IVE offers highly advanced operations with outstanding environmental and quality credentials within the Blue Star division, including:

- Program for Endorsement of Forest Certification (PEFC)TM, Chain of Custody certification
- Forest Stewardship Council (FSC), Chain of Custody[®] certification
- ISO 14001 certification
- ISO 9001 certification

Corporate Governance Statement (cont.)

For the year ended 30 June 2018

IVE's approach to environmental management utilises the three R's: Reduce, Re-use and Recycle. This means that wherever possible, IVE seeks to actively minimise its impact on the environment. This can be as simple as recycling programs across all sites, through to assisting customers with re-engineering their products to reduce the environmental impact.

Principle 8: The Board remunerates fairly and responsibly

Nomination and Remuneration Committee (NRC)

In its function as a remuneration committee, the NRC assists the Board in fulfilling its corporate governance responsibilities in regard to:

- engaging remuneration consultants (if any);
- reviewing Non-executive Director remuneration;
- determining executive remuneration policies and remuneration for executives; and
- reviewing and approving all equity based incentive plans.

Details of the NRC and its members are contained in the disclosure under Principle 2. Details of the number of NRC meetings and the attendance at those meetings, refer to 'Meetings of Directors' in the Directors' Report contained within the Annual Report.

Remuneration report and remuneration policies

In relation to remuneration issues, the Board (with the assistance of the NRC) has established a remuneration philosophy to ensure that it remunerates fairly and responsibly. The remuneration philosophy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and able to attract and maintain talented and motivated Directors and employees.

Details about IVE's remuneration philosophy, policies and practices are provided within the Remuneration Report, which is part of the Director's Report. As detailed in the Remuneration Report, the structure of Non-executive Directors' remuneration and that of executives is clearly distinguished. Non-executive Directors receive fees, which do not include any incentive payments. Executives participate in incentive plans as detailed in the Remuneration Report contained within the Annual Report. There are also no retirement schemes for Non-executive Directors, other than superannuation.

Equity-based remuneration scheme

IVE has established the IVE Group Equity Incentive Plan, under which eligible participants receive Performance Rights which are an entitlement to receive a Share for no consideration on satisfaction of specified conditions.

The Board will use equity based remuneration to reward, motivate and retain management. The Board's objective is to implement a remuneration framework that aligns the interests of participants with IVE's strategic objectives in order to maximise shareholder value.

Under the IVE Group Equity Incentive Plan and Securities Dealing Policy, participants are prohibited from entering into any arrangement, including any financial product that operates to limit the economic risk of the Options, Performance Rights and Restricted Shares, prior to vesting or becoming exercisable (as relevant).

The terms and conditions of the IVE Group Equity Incentive Plan are available on the 'Announcements' section of the ASX website for 'IGL' lodged on 16 December 2015. The Securities Dealing Policy is available on the IVE website under Investors at: <http://investors.ivegroup.com.au/home/>.

Further detail is available in the Remuneration Report contained within the Annual Report.