

Comms Group Limited (ACN 619 196 539) Corporate Governance Statement Year Ended 30 June 2022

This statement has been approved by the Board of Comms Group Limited and is current at 24th August 2022.

Comms Group Limited's approach to Corporate Governance

Comms Group Limited ('Comms Group' or the 'Company') has adopted a program to continuously review and improve its charters, policies and procedures periodically to ensure its corporate governance framework remains current and compliant with best corporate practice.

This Corporate Governance Statement addresses the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' – 4th Edition released in 2019 (referred to as 'ASX Principles or Recommendations').

This Corporate Governance Statement is attached to the Appendix 4G (Key to Disclosures – Corporate Governance Council Principles and Recommendations) for lodgement with ASX. In support of the information contained in the Appendix 4G, details of the Company's ongoing adherence to the ASX Corporate Governance Council Principles and Recommendations are outlined below.

Comms Group continuously monitors and updates the Company's risk management framework including the review and identification of requisite Board skills to ensure that the Company is in a strong and sustainable financial position to achieve its strategic goals and to ensure Directors hold the skills, knowledge and experience that enables the Board to discharge its duties and responsibilities effectively.

This Corporate Governance Statement reports in detail the Company's progress in adopting, implementing and adhering to the specifics of the ASX Principles and Recommendations. The Company's Charters and Policies for the Board and its Board sub-committees referred to in this Corporate Governance Statement are available in the Corporate Governance section of the Company's website at <https://commsgroup.limited/corporate-governance> (collectively such charters and policies are known as the "Corporate Governance and Policies").

Principle 1 Lay Solid Foundations for Management and Oversight

1.1 Roles and Responsibilities

The Company's Board Function and Board Charter (Board Charter) was first adopted in November 2017 and is reviewed periodically as required. The document clearly outlines the various roles and responsibilities of the Board and management including those items expressly reserved to the Board and Board sub-committees and those delegated to management. The Board Charter is published in the Corporate Governance section of the Company's website at <https://commsgroup.limited/corporate-governance>.

1.2 Director Selection

During the 2022 reporting period, there were no changes to the Board of directors.

When appointing a Director, the Company conducts appropriate pre-appointment checks and security holders have the opportunity of reviewing relevant information prior to voting on the appointment at the Annual General Meeting (AGM) generally held in November each year.

1.3 Terms of Appointment

New Directors receive letters of appointment stating the effective commencement date of their Directorship with Comms Group Limited together with their remuneration details. Directors are also provided with induction material and given the opportunity to consult with the Chairman and other Directors to deepen their overall understanding of the Company and its operations.

Comms Group has written agreements with Directors setting out the key terms and responsibilities of their appointment.

Senior Executive employment contracts clearly state the terms of appointment and the expectations of the Company regarding performance including any performance-based incentives..

1.4 Company Secretary

All Board members have access to the Company Secretary. The role of the Company Secretary is outlined in the Board Charter. The Company Secretary assists and advises the Board on governance and compliance matters. The Company Secretary has a direct reporting relationship to the Chairman of the Board.

Company Secretarial services are managed by Mr Andrew Metcalfe, an experienced independent company secretary and governance consultant. Mr Metcalfe was appointed to the position in October 2017. Mr Metcalfe is professionally qualified for the position having been a company secretary and governance advisor to ASX listed companies for over 25 years.

1.5 Diversity Policy

Comms Group's Diversity Policy is available in the Corporate Governance section of the Company's website, at <https://commsgroup.limited/corporate-governance>. The Diversity Policy states Comms Group's general principles in relation to diversity within the organisation. Comms Group is an inclusive workplace that values diversity which encompasses nationality, age, religious beliefs, sexual orientation as well as gender diversity. Comms Group is also an equal opportunity employer.

Directors have not adopted specific gender targets or measurable objectives for the Board, senior executives or for employees. However the Board is aware of good governance requirements to set specific targets as the Company expands its size and strategic development in the communications sector.

The table below shows the proportion of women in the whole organisation, women in senior executive positions and women on the Board. The Company defines "Senior Executive/Senior Management" as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year. To provide an accurate reflection of the proportion of women across the whole organisation the Company has opted to include contractors in the organisation as at the date of this Corporate Governance Statement:

- Board: 20%
- Senior Executive/Senior Management: 20%
- Employees/Contractors: 29%

1.6 Periodic Board, Committee and Director Evaluation

Comms Group has an evaluation process for Directors which is stated in the Board Charter available on the Company’s website. The Company undertakes an ongoing assessment and evaluation of Directors and the Board, the People & Remuneration Committee and the Audit, Risk and Compliance Committee.

The names of the Independent and non-independent Non-Executive Directors and Managing Director and their qualifications and experience are stated in the Company’s latest Annual Report.

1.7 Senior Executive Performance Evaluation

Comms Group sets key performance indicators for its senior executives and performance is evaluated against these targets annually. During the 2022 reporting period, annual reviews against these targets were conducted by the Managing Director and the People & Remuneration Committee.

Principle 2 Structure the Board to Add Value

2.1 People & Remuneration Committee

Comms Group Limited has a People & Remuneration Committee (‘PRC’), which is chaired by Ms Claire Bibby, an independent Non-Executive Director, in line with ASX recommendations for an independent chair. Other members of the PRC are Mr John Mackay, an independent Non-Executive Director and Mr Peter McGrath, the Managing Director. Two of the three Committee members are independent directors. During the 2022 reporting period the PRC met once with all members attending.

The PRC Charter is published in the Corporate Governance section of the Company’s website at <https://commsgroup.limited/corporate-governance>.

2.2 Skills of Directors

The Board is structured to provide a broad mix of skills, knowledge and experience in the information and communication technology (ICT) industry sector representing its main undertaking. Board members also have specific skills and experience pertaining to other key aspects of the Company’s business including law, governance, accounting, business strategy, corporate finance, capital raising, sales & marketing and investor relations. Directors have access to executive employees to provide specialised information as required.

A Board skills review was undertaken during the 2022 reporting period and the following table sets out the mix of skills the Board currently has.

Director background & experience	Director’s Name
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Industry	Peter McGrath, Ben Jennings, Claire Bibby, John Mackay, Ryan O'Hare
Accounting & Corporate Finance	Ben Jennings, Ryan O'Hare
Capital Markets	Peter McGrath, Ryan O'Hare
Management & Leadership	John Mackay, Peter McGrath, Ben Jennings, Claire Bibby, Ryan O'Hare
Legal	Claire Bibby, and external advisers to the Company
Risk, Management and Board Governance	John Mackay, Peter McGrath, Ben Jennings, Claire Bibby, Ryan O'Hare

2.3 Independence of Directors

The Board assesses the independence of each of the Non-Executive Directors based on the interests and associations disclosed by the Directors and in-line with the ASX Principles and Recommendations.

A table setting out the length of service of each of the current Directors and their status on the Board is below:

Director	Date Appointed	Executive or Non-Executive	Independent	Next due for re-election
Mr John Mackay	11 October 2017	Non-Executive	Yes	2023
Mr Peter McGrath	11 October 2017	Executive	No	N/A
Mr Ben Jennings	11 October 2017	Non-Executive	Yes	2024
Ms Claire Bibby	3 October 2019	Non-Executive	Yes	2022
Mr Ryan O'Hare	1 February 2021	Non-Executive	No	2024

2.4 Majority should be Independent Directors

On 30 June 2022 and at the date of this Corporate Governance Statement, the Company had a majority of independent Directors, represented by Mr John Mackay, Mr Ben Jennings and Ms Claire Bibby. Mr Ryan O'Hare is a substantial shareholder and therefore not considered independent; Mr Peter McGrath is the Company's Managing Director and is not considered independent. All Directors bring a diverse skill base and are suitably qualified to represent the Company and its security holders at the present time.

2.5 Chair should be Independent and not CEO

During the 2022 reporting period, the Board Chair was an independent director and not the CEO of the Company and therefore Comms Group complied with this ASX recommendation. Comms Group acknowledges that a separation of roles between the chairperson and CEO is best practice corporate governance to minimise the possibility of a lack of transparency and promote constructive debate at Board level.

2.6 Induction Program for New Directors

Directors are provided with substantial information about Comms Group when commencing their Directorships. Comms Group supports additional professional education to assist Directors in their role.

Principle 3 **Instil a Culture of Acting Lawfully, Ethically and Responsibly**

3.1 Company Values

The Company's core values and commitments are:

a) Honesty and Integrity

The Directors and executives will act honestly, in good faith and in the best interests of the Company as a whole and will not engage in conduct likely to bring discredit upon the Company.

b) Fair Dealing

The Directors and executives will deal fairly with the Company's external service providers, colleagues, suppliers, competitors and shareholders and will maintain a high standard of responsibility and awareness as corporate citizens.

c) Diligence

The Directors and executives will use due care and diligence in fulfilling the functions of office and in exercising the powers attached to that office.

d) Independence

The Directors and executives will be independent in their judgement and actions and take all responsible steps to be satisfied as to the soundness of all decisions taken by the Board of Directors and by the executives.

e) Avoid Conflicts of Interest

The Directors and executives acknowledge that there may be times when their personal or other interests conflict with those of the Company. In these circumstances, the Directors and executives will take action to remove or manage the conflict, so as to avoid detriment to the Company or any perception of conflict of interest

f) Safety – We are committed to providing and maintaining a safe and non-discriminatory working environment to safeguard the health and safety of associated persons, consultants, contractors, customers, suppliers and other persons who visit our workplace, or who we work with, as required by law.

g) Environment, Social and Corporate Governance Standards – We act in a manner that aims to preserve and protect the Company's reputation consistent with reasonable expectations of our investors and the broader community in which we operate, acting ethically and responsibly and complying with all laws and regulations that apply to the entity and its operations, acting responsibly towards the environment and complying with legislation as part of the Company's operations.

3.2 Code of Conduct

Comms Group's Code of Conduct is published in the Corporate Governance section of the Company's website at <https://commsgroup.limited/corporate-governance>.

The Code of Conduct provides a framework for decisions and actions and the Company's minimum standards of conduct and integrity to be observed by all staff members. The Code's focus is to ensure that all Directors, executives, and employees act with the utmost integrity and fair dealing. This involves acting ethically, sustainably and responsibly in conducting the Company's business affairs, as well as displaying and exercising a duty of care to all employees, clients and stakeholders carrying out their duties and responsibilities while striving at all times to enhance the reputation and performance of the Company. The ethical and responsible conduct of the affairs of the Company ultimately depend upon the understanding and judgment of its staff, having regard to their sense of honesty, fairness and decency.

This Code applies to anyone who works for the Company including all directors of the Board, senior executives and employees, joint venture partners as well as temporary and contract staff (including subcontractors). Any material breaches of the Code of Conduct by a Director or member of management or any material breaches of the Code that call into question the culture of the organisation will be brought to the attention of the Board.

Training sessions for staff also emphasise Company expectations regarding conduct of staff and executives in maintaining ethical standards.

3.3 Whistleblower Protection Policy

Comms Group has a Whistleblower Protection Policy which is published on the Company's website at <https://commsgroup.limited/corporate-governance>. The Board will be advised of any material incidents reported under the policy.

The Whistleblower Protection Policy is underpinned by a strong commitment to building a culture in Comms Group that reflects sound governance and promotes ethical behaviour in the detection and management of fraudulent, corrupt or improper conduct. Comms Group values ethical behaviour, integrity and respect. Comms Group considers that working with integrity, honesty and respect includes encouraging employees and stakeholders to speak up in relation to conduct that does not align with this code of conduct or with the law and taking steps to protect the identity of that person when they do.

Comms Group encourages Employees and Stakeholders to speak up without fear of intimidation or reprisal in relation to conduct that does not align with the Company's corporate policies or the law and Comms Group will protect disclosers when they do.

The Whistleblower Protection Policy complies with the amendments to the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) that are effective from 1 July 2019.

A copy of the Whistleblower Protection Policy is available on Comms Group website and is intended to be accessed by anyone.

3.4 Anti-bribery and Corruption Policy

Australia has strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to actions carried out in other countries (i.e. wide-reaching extra-territorial effect). You must comply with and uphold all laws against bribery, corruption and related conduct applying to the Company in all jurisdictions where the Company operates.

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- a) official misconduct;
- b) bribery and blackmail;
- c) unauthorised use of confidential information;
- d) fraud; and
- e) theft.

Comms Group is committed to adopting effective systems to counter bribery and related improper conduct and to monitor and enforce these systems. Accordingly, the Company has a strict policy not to offer or receive secret commissions or bribes to further its business interests. A copy of the Fraud and corruption policy is available on the Comms Group website at <https://commsgroup.limited/corporate-governance>.

Securities Trading Policy

The Board has adopted a Securities Trading Policy which regulates dealing in Comms Group securities by Directors, Key Management Personnel, employees, contractors and consultants of Comms Group and their related parties, collectively referred to as Designated Persons. Designated Persons must not deal in Comms Group securities if they are in possession of price sensitive information which would, if the information were publicly known, be likely to have a material effect on the price or value of Comms Group Securities; or influence persons who commonly invest in securities in deciding whether or not to deal in Comms Group Securities. Under the Securities Trading Policy, Designated Persons must not buy, sell or subscribe for Comms Group securities except during permitted periods.

The Securities Trading Policy provides that Designated Persons may not deal in Comms Group securities during the following periods:

- a) the period from the end of the Company's financial year (30 June) until 24 hours after the announcement of the full year financial results for Comms Group are received and announced to the general market by the ASX;
- b) the period from the end of the Company's half year (31 December) until 24 hours after the announcement of the half year financial results are received and announced to the general market by the ASX; and
- c) the period of 24 hours following a general meeting of shareholders
- d) the period of 24 hours after the issue of any material release to the ASX or disclosure document offering securities in the Company; and
- e) at any other time for a specified period as determined by the Board of Comms Group.

A breach of the Securities Trading Policy will be regarded by Comms Group as serious misconduct which may lead to disciplinary action and/or dismissal.

A copy of the Securities Trading Policy is available on the Comms Group website at <https://commsgroup.limited/corporate-governance>.

Principle 4 Safeguard Integrity of Corporate Reports

4.1 Audit, Risk and Compliance Committee

Comms Group has an Audit, Risk and Compliance Committee ('ARCC') which oversees the audit functions of the Company and ensures risks are identified and managed. One of the key responsibilities of the ARCC is to oversee the Company's relationship with the external auditor and the external audit function generally.

Mr Ben Jennings, an independent Non-Executive Director, chaired the Committee during the reporting period. Mr Jennings qualifications and experience in business and finance, as reported in the company's annual report, qualify him to chair the committee. Other members of the ARCC are Mr John Mackay and Ms Claire Bibby, both independent Non-Executive Directors, Mr Ryan O'Hare, a non-executive Director and Mr Peter McGrath, the Company's Managing Director. Three of the five Committee members are independent. During the 2022 reporting period each of the committee members, given their experience in business and finance, was able to significantly contribute to the work of the Committee. The ARCC met four times during the 2022 reporting period with all committee members attending.

The Charter is published in the Corporate Governance section of the Company's website at <https://commsgroup.limited/corporate-governance>.

4.2 Financial Statement Confirmation

Before the Board approves the Company's financial statements for a financial period, it receives a declaration from the CEO and CFO that, in their opinion, the financial records of Comms Group have been properly maintained, that its financial statements comply with the appropriate accounting standards and give a true and fair view of the Company's financial position and performance and that the Company's system of risk management and internal control is operating effectively in relation to financial reporting.

4.3 Integrity of Corporate Reports

Comms Group's auditors review the Company's Half Year Report and Annual Report prior to publication. Apart from these documents, there are no other periodic Company reports that are subject to an independent review.

Principle 5 Make timely and Balanced Disclosure

5.1 Continuous Disclosure

Comms Group has a Continuous Disclosure Policy and Communication Strategy which describes the Company's continuous disclosure obligations and how they are managed. The policy states that:

"The Board recognises its duty to ensure that shareholders are informed of all major developments affecting the state of affairs of Comms Group Limited"

"In accordance with legal, statutory and ASX listing requirements (particularly Listing Rule 3.1), Comms Group Limited will disclose all information concerning it, of which it is or becomes aware, that a reasonable person would expect to have a material effect on the price or value of its securities."

A copy of the policy can be viewed in the Corporate Governance section of the website at <https://commsgroup.limited/corporate-governance>.

5.2 Market Announcements

The Board automatically receives a copy of market announcements immediately after they have been released on the ASX Market Announcements Platform.

5.3 Investor Presentations

Comms Group releases a copy of any investor presentations on the ASX Market Announcements Platform ahead of the presentation and these are also published on the Company's website.

Principle 6 Respect the Rights of Security Holders

6.1 Information to Investors via Website

Information on Comms Group, as well as its governance policies and procedures, is available to investors on the Company's website at <https://commsgroup.limited/corporate-governance>

6.2 Investor Relations

Comms Group has an Investor Relations page on the Company's website, <https://commsgroup.limited/>, with links to the various documents and announcements the Company lodges with the ASX. Contact details are also provided on the website for investors wishing to contact the Company's Share Registry or Comms Group directly.

6.3 Participation at Meetings

Shareholders are encouraged to participate in meetings which are announced to the ASX, included on the Company's website and by mailouts to all security holders prior to meeting of shareholders.

6.4 Substantive resolutions by Poll, not show of hands

Comms Group security holders are given the opportunity to vote on all substantive resolutions by Poll at the Company's AGM or at a General Meeting. Notices of meeting are sent out in advance of the meeting with proxy voting forms attached.

6.5 Communicating Electronically

The Investor Relations page on the Company's website provides contact details for security holders to communicate with either the Company's Share Registry or Comms Group directly. Security holders are offered the option of receiving information electronically from Comms Group via the Share Registry.

Principle 7 Recognise and Manage Risk

7.1 Risk management

As well as overseeing the audit functions of the Company, the ARCC ensures potential risks are identified and managed. During the 2022 reporting period the committee met four times chaired by independent Non-Executive Director, Mr Ben Jennings. Other members of the ARCC are Mr John Mackay and Ms Claire Bibby, both independent Non-Executive Directors, Mr Ryan O'Hare, non-

executive Director and Mr Peter McGrath, the Company's Managing Director. Three of the five Committee members are independent.

The Charter is published in the Corporate Governance section of Company's website at <https://commsgroup.limited/corporate-governance>.

7.2 Risk Management Framework

Comms Group manages risk through its ARCC and the Board. The Company's risk register provides a framework for risk identification and monitoring and the register was reviewed regularly and updated during the 2022 reporting period for any new or materially different risks. The Risk Matrix is also reviewed regularly and updated to ensure immediate identification and reporting of risk.

Fortnightly senior executive management meetings also provide forums for discussing and monitoring risk. Any suggested mitigation strategies are considered at the ARCC and by the Board as appropriate.

7.3 Internal Audit

Comms Group management has implemented risk and internal control systems for assessing, monitoring and managing strategic, operational, financial reporting and compliance risks for the Company. The systems are based upon policies, guidelines, delegations and reporting as well as the selection and training of qualified personnel. The internal processes as they relate to financial management and reporting are reviewed by the Company's external auditors during their half year and annual audits.

The Board believes the control framework of formal audits and Company policies and procedures is well suited to the current size, operations and stage of development of the business.

7.4 Risk Exposure

Comms Group manages risk through its ARCC and the Board. Risk is also discussed and monitored in management team meetings where mitigation strategies are devised as appropriate.

During the 2022 reporting period, the main exposure to economic risk for Comms Group was the impact of the Covid-19 pandemic on the Company, the ability to source employees with appropriate skills and experience, ransomware/IT attacks, data theft and the potential worsening economic conditions in Australia and globally. The Board and the ARCC continually monitor the Company's cash flow position and adopt the appropriate strategy to maintain solvency in the face of any economic risk.

During the reporting period the Company was engaged solely as an information and communication technology (ICT) industry sector, providing a comprehensive range of telco and IT related managed services. The Company does not have any notable social sustainability risks or environmental risks.

Principle 8 Remunerate Fairly and Responsibly

8.1 Remuneration Committee

Comms Group Limited has a People & Remuneration Committee ('PRC'), which oversees all remuneration matters in the Company. The Committee is chaired by Ms Claire Bibby, an independent Non-Executive Director, in line with ASX recommendations for an independent chair. Other members of the PRC are Mr John Mackay, an independent Non-Executive Director and Mr Peter McGrath, the

Managing Director. Two of the three current Committee members are independent directors. During the 2022 reporting period the People & Remuneration Committee met once with all members attending.

The PRC Charter is published in the Corporate Governance section of the Company's website at <https://commsgroup.limited/corporate-governance>.

8.2 Remuneration Policy

Comms Group has a Remuneration Policy for non-executive directors, senior executive and professional staff which is included in the PRC Charter published on the Company's website at <https://commsgroup.limited/corporate-governance>. Fees for non-executive directors are reviewed annually by the PRC and subsequently approved by the Board. For senior executive and professional staff, the Remuneration Policy aligns the Company's business objectives with individual key performance indicators (KPIs), the company's performance and its market position. The policy is underpinned by a number of principles designed to promote and further develop the interests of the company, its shareholders and employees by adopting good corporate governance practice in line with the ASX Principles and Recommendations.

8.3 Equity Based Remuneration Scheme

Comms Group has an Equity Based Remuneration Scheme in the form of a Performance Rights Plan which was approved by shareholders at the July 2019 General Meeting and will be put forward for renewal at the 2022 AGM. A copy of the Performance Rights Plan is available upon request by Comms Group employees. Rights were issued to the executive director and senior executive and professional staff during the 2022 reporting period. A participant in the Performance Rights Plan must not enter into any arrangement that may otherwise affect the economic exposure to their rights.