

ASX Corporate Governance Council Principles and Recommendations

In accordance with ASX Listing Rules, the Company hereby discloses the current compliance with each of the third edition of the ASX Corporate Council Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**). The Principles and Recommendations are not mandatory. However, the Company will be required to provide a statement in its future annual reports disclosing the extent to which the Company has complied with the Principles and Recommendations. The Board of the Company currently has in place corporate governance policies and charters which have been posted in a dedicated corporate governance information section on the Company's website at www.updater.com

Principle 1: Lay solid foundations for management and oversight	Recommendation 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 Company complies with this recommendation. The board has set out the responsibilities of the Board in the Board Charter which can be accessed on the company website. Any functions not reserved for the Board and not expressly reserved by the ASX Listing Rules are reserved for senior executives.
	Recommendation 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 Company complies with this recommendation. The process for of directors is detailed in the Remuneration and Nomination Committee Charter.
	Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company complies with this recommendation. Each Director and senior management execute a written agreement setting out terms of their appointment.
	Recommendation 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 Company complies with this recommendation. The company secretary, Scott Mison reports directly to the Chair of the Board, David Greenberg.

For personal use only

	<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<p>The Company partly complies with this recommendation.</p> <p>The Company has adopted a Diversity Policy, a copy of which is available on the Company’s website.</p> <p>The policy requires the board to establish measurable objectives for achieving gender diversity and the Board will review the Company’s progress in meeting these objectives.</p> <p>Due to the stage of development and number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures.</p> <p>The Company will report on its progress towards achieving these objectives in its future annual reports.</p>
	<p>Recommendation 1.6:</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has adopted a Board Performance Evaluation Policy which is available on the Company website.</p>

	<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Company complies with this recommendation.</p> <p>Arrangements put in place by the Board to monitor the performance of the Group's executives include:</p> <ul style="list-style-type: none">• a review by the Board of the achievement of performance targets set based on the organisation's objectives in accordance with its strategy;• comparison of executive remuneration levels to industry benchmarks; and• annual performance appraisal meetings incorporating analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company. <p>Reviews will be conducted annually.</p>
--	--	--

<p>Principle 2: Structure the board to add value</p>	<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 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 <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Company does not comply with this recommendation.</p> <p>The board has established a remuneration and nomination committee which is available on the Company website.</p> <p>However given the composition of the Board and the size of the Company, no members are independent.</p> <p>The Board may reconsider the composition of the audit committee in the future when an independent Non-Executive Director is appointed.</p>
	<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The company complies with this recommendation.</p> <p>The Company discloses on the Companies website and will in future annual reports.</p>
	<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The company complies with this recommendation.</p> <p>Currently no board members are independent.</p> <p>However, the board intends to appoint an independent non-executive director to the Board as and when an appropriate candidate is identified.</p>

	<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>The Company does not comply with this recommendation.</p> <p>The Board believes that it is able to exercise independence and judgement and possesses the necessary skills, expertise and experience required to effectively discharge their duties. The focus has been on the ability of the Board to add value by effectively exercising independence and discharging their duties, rather than on meeting the independence test in the guidelines.</p> <p>However, the board intends to appoint an independent non-executive director to the Board as and when an appropriate candidate is identified.</p>
	<p>Recommendation 2.5</p> <p>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.</p>	<p>The Company does not comply with this recommendation.</p> <p>The Chair, Mr David Greenberg, is not considered to be independent. However, the Board believes that David's extensive experience enables him to effectively exercise independence in his role as Executive Chairman.</p> <p>The roles of both Chairman and CEO are exercised by Mr David Greenberg. Given his skills, experience and knowledge of the Company, the Board considers that it is appropriate for him to be Chairman</p>

	<p>Recommendation 2.6</p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>The Company's Board Charter is responsible for establishing and facilitating an induction program for new directors.</p> <p>The remuneration and nomination committee policy provides for continuing education for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.</p>
<p>Principle 3: Act ethically and responsibly</p>	<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has a Code of Conduct which can be accessed on the company website.</p>

<p>Principle 4: Safeguard integrity in corporate reporting</p>	<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Company does not comply with this recommendation.</p> <p>An audit committee has been established, however given the composition of the Board and the size of the Company, no members are independent.</p> <p>The Board may reconsider the composition of the audit committee in the future when an independent Non-Executive Director is appointed.</p>
	<p>Recommendation 4.2</p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>The Board receives assurance from the CEO and the chief financial officer in the form of a declaration, prior to approving the financial statements.</p>
	<p>Recommendation 4.3</p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>The Company requires its external auditors to attend the AGM each year.</p>

<p>Principle 5: Make timely and balanced disclosure</p>	<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has adopted a Continuous Disclosure Policy which is available on its website.</p>
<p>Principle 6: Respect the rights of security holders</p>	<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>The Company complies with this recommendation.</p> <p>Information regarding the Company, its activities and its corporate governance is available on its website.</p>
	<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has adopted a Shareholder Communication Policy which is available on its website.</p>
	<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has adopted a Shareholder Communication Policy which is available on its website.</p>
	<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Company complies with this recommendation.</p> <p>Shareholders are able to the option to receive communications from, and send communications to, the entity and its security registry electronically via email or by submitting queries via the Company's website.</p>

<p>Principle 7: Recognise and manage risk</p>	<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Company does not comply with this recommendation.</p> <p>The Company has a Risk Management Policy outlining the processes it employs for overseeing the entity's risk management framework and is available on the website.</p> <p>However, it does not have a separate committee to oversee risk. The board as a whole will oversee risk of the Company.</p>
	<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Company complies with this recommendation.</p> <p>A review will be completed annually and disclosed in the future annual reports.</p>
	<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Company complies with this recommendation.</p> <p>The Company does not have an internal audit function.</p> <p>Due to the size and scale of the Company, it was agreed that effectiveness of its risk management and internal control processes should be considered by the full Board.</p>

	<p>Recommendation 7.4</p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>The Board is responsible for reviewing whether the Company has any material exposure to any economic, environmental and social sustainability risks.</p> <p>The Company will provide details as to its compliance with this recommendation in future annual reports.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>	<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Company partly complies with this Recommendation.</p> <p>The Company has a remuneration and nomination committee; however, the majority of the directors are not independent directors.</p> <p>The company is presently unable to comply with this recommendation in full.</p> <p>The board may reconsider the composition of its board committees in the future when an independent Non- Executive Director is appointed.</p>

	<p>Recommendation 8.2</p> <p>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.</p>	<p>The Company complies with this recommendation.</p> <p>The board as a whole is responsible of making recommendations in relation to the Company's policies and practices regarding the remuneration of non- executive directors and the remuneration to executive directors and other senior executives.</p> <p>The Board is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive. The Board believes that the best way to achieve this objective is to provide Executive Directors and Executives with a remuneration package that may consist of;</p> <ul style="list-style-type: none">(i) fixed components that reflect the person's responsibilities, duties and personal performance; and(ii) share based payments in the form of options as an incentive for performance that achieves medium term or longer term goals. <p>The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry.</p> <p>The aggregate amount payable to the Company's Non-Executive Directors in respect of non-executive director fees must not exceed the maximum annual amount approved by the Company's shareholders, which is currently set at \$300,000 per annum.</p>
--	--	---

	<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Company complies with this recommendation.</p> <p>The Company has established a Long Term Incentive Plan.</p> <p>A summary will be included in future annual reports.</p>
--	---	--

