

Corporate Governance Statement

(Pursuant to Listing Rule 4.10.3)

Overview

Vocus Communications Limited (**Vocus**) is committed to ensuring that it has effective corporate governance structures in place, consistent with the principles and recommendations set out in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3rd Edition)* (**ASX Principles**).

During the reporting period, Vocus and Amcom Telecommunications Limited (now Amcom Telecommunications Pty Ltd) (**Amcom**) implemented a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Act**) (**Amcom Scheme**). Subsequently in the same reporting period, Vocus and M2 Group Ltd (**M2**) implemented a merger by way of a scheme of arrangement under Part 5.1 of the Act (**M2 Scheme**).

Vocus, Amcom and M2 each have strong governance credentials, and a history of implementing and complying with sound corporate governance practices, as part of creating organisational value for its stakeholders. The new Vocus Board, consisting of representatives from each of those Boards, is committed to continuing that strong history.

Consistent with the ASX Listing Rules, to the extent that Vocus has not followed a recommendation during FY16, Vocus explains its departure using an "if not, why not" approach.

In circumstances where Vocus follows a recommendation set out in the ASX Principles, rather than simply stating that fact, Vocus strives to provide detailed information to demonstrate the extent of its compliance.

Vocus recognises that the provision of such detailed information will assist its stakeholders have a holistic understanding of Vocus' corporate governance framework.

This Statement is current at, as was approved by the Vocus Board on, 22 August 2016.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Board's role is largely to review and implement the strategic direction of Vocus, whilst balancing the interests of shareholders, other stakeholders and the interests of Vocus. Additionally, the Board is responsible for Vocus' corporate governance framework, including monitoring compliance with the framework.

The Board has adopted a Board Charter that details its role and responsibilities, which can be found on the Vocus website.

Vocus has established a clear delineation between the functions reserved to the Vocus Board and those functions delegated to its Executive Team and others.

The Board has reserved to it the matters that determine and support the overall direction and strategy of Vocus. The matters include monitoring major capital expenditure, approving all material merger, acquisition or divestment opportunities and appointing and removing Vocus' Chief Executive Officer.

The Board has delegated the responsibility of *implementing* Vocus' strategy and carrying on the day to day operations of the business to the Executive Team. Each member of Executive Team is directly accountable to the Chief Executive Officer, who in turn is accountable directly to the Board. Specific authorities delegated to the Chief Executive Officer and the Executive Team are also set out in Vocus' delegations authority.

The Board Charter is published in the Corporate Governance section of Vocus' corporate website and is accessible from the following link: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 1.2

Vocus is committed to ensuring that it provides shareholders with all material information about a director's character, experience and qualifications that would be relevant to the shareholder making a decision on whether or not to elect or re-elect a director.

Historically, this has been provided by each of the various entities which were listed on the ASX and form part of the Vocus Group.

During the reporting period, there were substantial changes to the composition of the Vocus Board as a result of the two schemes of arrangement which were implemented. Following the implementation of the M2 Scheme, Craig Farrow, Vaughan Bowen, Michael Simmons and Rhoda Phillippo (all of whom were directors of M2 prior to the implementation of the M2 Scheme) were each appointed by the Board as directors of Vocus. In accordance with section 201H(3) of the *Corporations Act 2001* (Cth), each of those directors will stand for election at Vocus' 2016 Annual General Meeting. In addition, James Spenceley (formerly Managing Director of Vocus, now Executive Director) will be standing for election and Jon Brett for re-election.

The Explanatory Notes to the Notice of Annual General Meeting, will include information relating to each director's character, experience, qualifications and, for the non-executive directors standing for election or re-election, their independence.

Recommendation 1.3

The terms of appointment of each director and each member of the Executive Team are set out in a binding written agreement. This is intended to ensure that roles, responsibilities and accountabilities are clear and transparent, and that each parties' respective rights and obligations of the parties is well understood. Additionally, Vocus' Code of Conduct sets out the standard of behaviour expected of individual directors, including both a director's legal obligations (such as the duty to act with due care, skill and diligence) and other obligations (such as attending, and actively participating in, Board meetings).

Each non-executive director of Vocus is party to a written letter of appointment with Vocus, which specifies the roles and responsibilities of each director, including Vocus' expectations of their professional and personal behaviour, as well as details of remuneration and term of appointment.

During the reporting period, Vocus' two executive directors, Vaughan Bowen and James Spenceley, entered into new agreements with Vocus, which set out not only the terms of their appointment as executive directors, but also a description of their additional roles and responsibilities.

Each member of the Executive Team is a party to an individual employment agreement with Vocus, which outlines the terms of his or her appointment, including remuneration details, a description of their position, duties and responsibilities, the person to whom he or she report, the circumstances in which his or her service may be terminated and any entitlements on termination.

The material terms of the updated employment agreements for Mr Bowen, Mr Spenceley and Mr Horth were disclosed to the ASX on 27 June 2016 pursuant to ASX Listing Rule 3.16.1.

The Code of Conduct is published in the Corporate Governance section of Vocus' corporate website and is accessible from the following link: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 1.4

The Company Secretary is directly accountable to the Board, through the Chairman. Directors have direct access to and communicate directly with the Company Secretary, and vice versa.

The Company Secretary's role in respect of matters relating to the proper functioning of the Board, include advising the Board and its Committees on governance matters, monitoring that Board and Committee policies and procedures are followed, coordinating all Board business, retaining independent professional advisors at the request of the Board or its Committees (as permitted), and helping to organise and facilitate the induction and professional development of directors.

Following the implementation of the M2 Scheme, Ashe-lee Jegathesan was appointed by the Board as Vocus' Company Secretary. Ms Jegathesan's appointment was notified to the ASX on 22 February 2016 pursuant to ASX Listing Rule 3.16.1.

Recommendation 1.5

The Vocus Board considers diversity to be an important and valued aspect of Vocus' culture, and encourages diversity in all areas of its business. Diversity is not limited to gender, and includes diversity of age, ethnicity, culture, impairment, sexual preference and religion. Vocus is committed to providing an environment where people are treated with fairness and respect, and in which they have equal opportunities, and equal access to those opportunities.

Vocus' Diversity Policy was most recently updated on 31 March 2016. The Diversity Policy confirms that a key

objective is to continually focus on female representation at the operational, management, executive and board levels. The Diversity Policy imposes specific responsibilities on Vocus' Head of Human Resources to report to the Board and the Company Secretary on diversity statistics annually and gender statistics monthly.

The Diversity Policy includes authorising the Remuneration Committee to set measurable objectives for achieving gender diversity and to review these objectives and Vocus' progress in achieving them annually. For FY17, the Remuneration Committee have established the following measurable objectives:

- Increase the percentage of women employed by Vocus in executive, senior and mid-level roles on a year on year basis
- Ensure recruitment processes at all levels encourage gender balance
- Continue to maintain diversity in all respects, not limited to gender, in Vocus' corporate policies

The following table sets out key statistics on gender diversity, measured at 30 June 2016 and compared to the statistics in the previous corresponding period. It should be noted that the previous corresponding period predates the large increase in employee and director numbers resulting from the implementation of both the Amcom Scheme and the M2 Scheme.

Role	30 June 2016		30 June 2015		% Change (FY15 to FY16)
	Number of Females	(% of total)	Number of Females	(% of total)	
Board	1	12.5%	0	0%	12.5%
Executive Team	2	22%	1	12.5%	9.5%
Senior Leadership Team	8	22.8%	N/A	N/A	N/A
Other Team Members (excluding overseas)	326	26.1%	40	24%	2.1%

For the purposes of interpreting the table immediately above, "Senior Leadership Team" comprises senior managers who report directly to the Executive Team, with limited exceptions. Vocus did not have a Senior Leadership Team during FY15.

During the reporting period, the appointment of Mrs Phillippo to the Vocus Board represented a diversity milestone for Vocus. Mrs Phillippo is the first female to be appointed to the Vocus Board. The Board's Nomination Committee is charged with monitoring the make-up of the Board on an on-going basis, to ensure that the appropriate skillset and experience required to lead Vocus into the future is represented, in keeping with the Board's diversity objectives and its Diversity Policy.

During the reporting period, Vocus also published its Internal Working Guidelines. The Guidelines set out the process for employees to seek flexible working arrangements, compatible with their individual circumstances and personal responsibilities, such as their parental responsibilities as well as individual cultural and religious needs.

The Diversity Policy is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 1.6

The Vocus Board has a documented policy which establishes the framework for the periodic evaluation and review of the performance of the Board, its Committees and of individual directors.

The Nomination Committee Charter was updated on 25 February 2016. The Nomination Committee Charter specifies that the role of the Nomination Committee is to, among other things, monitor the Board's performance to ensure a high performing board, build and foster an appropriate Vocus culture, and to ensure that it has an appropriate selection criteria and processes for the identification of a diverse range of suitable candidates to become members of the Board (in keeping with Vocus' Board Selection Policy).

Vocus generally reviews the performance of the Board, its Committees and individual directors annually, by way of an internal review, and every second year, by way of an external review facilitated by external consultants.

The internal review typically consists of peer-assessment, where each individual director assesses the performance of each other director and the Chairman, both in their roles as Board directors and Committee members.

In view of the Amcom and M2 Schemes, and the substantial changes to the composition of the Vocus Board during the reporting period, it was not considered reasonable or appropriate for an external review to occur in this reporting period.

The Nomination Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 1.7

Vocus has delegated the responsibility for evaluating the performance of the Chief Executive Officer to the Nomination Committee, and that of the Executive Team to the Remuneration Committee, in conjunction with the Chief Executive Officer.

The performance of each member of the Executive Team is regularly evaluated against a number of criteria, including against the member's performance description, goals and agreed key performance indicators (**KPIs**) (both financial and non-financial).

As part of the M2 merger, a comprehensive review was undertaken to determine the most suitable composition of the Executive Team. This review was undertaken by a sub-committee of the Board with the support of external consultants. At its completion, the current Vocus executive team was selected.

Principle 2: Structure the Board to add value

Recommendation 2.1

During the reporting period, Vocus had a dedicated Nomination Committee.

The composition of the Nomination Committee changed during the reporting period as a result of the Amcom Scheme, and subsequently, the M2 Scheme. The Committee has met formally twice since the implementation of the merger, and informally, on a number of additional occasions throughout the reporting period.

The table below details the members, roles and independence of each person who was a member of the Nomination Committee together with details of the attendance at the meetings held during the term of their appointment as a member of the Nomination Committee.

Name	Role	Meetings Held	Meetings Attended	Attendance
David Spence	Independent Chair	2	2	100%
Anthony Grist*	Independent Director	0	0	N/A
James Spenceley*	Executive Director	0	0	N/A
Craig Farrow**	Independent Director	2	2	100%

* Mr Grist and Mr Spenceley retired from the Nomination Committee following the implementation of the M2 Scheme.

** Mr Farrow was appointed to the Board and the Nomination Committee following the implementation of the M2 Scheme.

The Nomination Committee currently consists of the Chair and Deputy Chair of the Board, Mr Spence, and Mr Farrow, both of whom are independent non-executive directors.

The Board notes that Recommendation 2.1 recommends that the Nomination Committee consist of at least three members. However, given that the composition of both the Board and the Executive Team of Vocus has undergone transformational change during the reporting period, the Board considers that the workload of the Nomination Committee will be diminished for the time being, and capable of being sufficiently discharged by two members, enabling the Board to focus on other areas of the business in the near future.

The Nomination Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 2.2

The selection, appointment and re-appointment of directors to the Board forms part of the mandate of the Nomination Committee. The Nomination Committee Charter specifies that the role of the Nomination Committee is to, among other things, ensure that it has an appropriate selection criteria and processes for the identification of a diverse range of suitable candidates to become members of the Board (in accordance with Vocus' Board Selection Policy).

In proposing the selection, appointment and re-appointment of directors to the Board, the Nomination Committee aims to achieve a mix of diversity (gender and otherwise) and skills which is appropriate for Vocus' size and industry. The Board and the Nomination Committee values business skills which enable an appropriate understanding of Vocus' retail and wholesale telecommunications, telecommunications infrastructure and energy businesses. All Board members are expected to have sufficient financial literacy and an understanding of the industries in which Vocus operations, in order to effectively perform their roles.

The skills matrix set out below sets out the mix of skills currently present amongst individual directors on the Board, which support Vocus in achieving its goals now and into the future:

<ul style="list-style-type: none"> • Financial acumen • Accounting, Audit and Financial Services • Private Equity and Capital Markets • Infrastructure Investment • M&A • Telecommunications • Business Strategy and Commercial • Innovation and Technology • Agribusiness and Manufacturing • International Business • Engineering and Networks • IT and Software Systems 	<ul style="list-style-type: none"> • Executive Leadership • CEO experience • Other NED experience • Legal, Governance and Compliance • Risk Management • Human Resources • Remuneration • Sustainability and Corporate Social Responsibility • Government Relations
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The Nomination Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 2.3

At the date of this Corporate Governance Statement, the Board consists of eight directors. The Board regularly assesses the independence of each non-executive director. In doing so, the Board considers the non-executive director's interests, positions, associations and relationships generally, as well as the particular factors which are listed in Box 2.3 of the ASX Principles.

Vocus considers that directors identified in the table below were independent during FY16. The term served by each director is also noted in the table below.

Director	Appointment Date	Anniversary (FY16)
David Spence - Chairman	24 June 2010	6 years
Craig Farrow - Deputy Chairman**	22 February 2016	N/A**
Jon Brett***	29 August 1998	~ 6 years (since Vocus changed the nature of its business to that of a telecommunications services company)
Anthony Grist*	17 August 2015	N/A*
Michael Simmons **	22 February 2016	N/A**
Rhoda Phillippo**	22 February 2016	N/A**

* Mr Grist was appointed to the Board part way through the reporting period, in connection with the implementation of the Amcom Scheme.

** Mr Farrow, Mr Simmons and Mrs Phillippo were appointed to the Board part way through the reporting period, in connection with the implementation of the M2 Scheme.

*** Tenure prior to June 2010 was deemed not to be relevant, as prior to that date, the Company was engaged in the provision of capital to companies in the wine industry, and not in the supply of telecommunications services. The Board considered therefore Mr Brett's tenure to be approximately 6 years.

Vaughan Bowen and James Spenceley each serve as Executive Directors and are not considered to be independent.

Further information about the Vocus Board, including individual directors, is published in the Investor Centre section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/board-of-directors>

Recommendation 2.4

The Board considers that the majority of the directors on the Board were independent at all times during the reporting period.

With the exception of Vaughan Bowen and James Spenceley, who each serve as Executive Directors, the Board views the remainder of the Board to be independent and refers to the commentary on Recommendation 2.3.

Recommendation 2.5

During the reporting period, David Spence served as Chairman of the Board and held no other role in Vocus. The Board considers Mr Spence to be an independent director and refers to the commentary on Recommendation 2.3.

Vocus' Chief Executive Officer during the reporting period was initially James Spenceley, and following the implementation of the M2 Scheme, Geoff Horth. Neither Mr Spenceley nor Mr Horth held the dual role of Chairman and Chief Executive Officer at any time during the reporting period.

Recommendation 2.6

Vocus has a commitment to ongoing learning and development in all parts of its business, including at the Board level.

At the Board level, new directors are required to undertaking an induction program coordinated by the Company Secretary in conjunction with the Nomination Committee. The program includes strategy briefings, explanations of Vocus' core company policies and procedures, sessions on Vocus' governance frameworks, cultures and values, company history, as well as other important and relevant information.

Following the implementation of the M2 Scheme, Vocus has renewed its commitment to structured learning and development. The combination of the M2 business with the Vocus business in connection with the M2 Scheme has resulted in the Vocus business adopting new business divisions, which did not exist in Vocus during the previous reporting periods. Such business divisions include a gas and electricity resale business, and a mass markets retail consumer business.

To develop familiarity with the enhanced business of the Vocus, a comprehensive induction program was conducted at the Board level during the reporting period. "Deep Dive" sessions are now a standing matter of business for each Board meeting. At each Board meeting, time is set aside for structured training of Board members on the various business divisions of Vocus, as well as on regulatory and compliance matters. The Deep Dive involves presentations by the responsible business lead executives and the Chief Executive Officer, as well as by external consultants. Generally, the Deep Dive focusses on the division's strategy, goals, financial performance, compliance requirements and governance and risk management issues.

Additionally, external specialists from industry groups and professional advice firms regularly present to members of the Board and Executive Team on matters relevant to the various industries Vocus is involved in as well as accounting, corporate governance and risk management matters, to assist the Board and Executive Team to develop and maintain their skills and knowledge in these areas. Board members are also provided with an allowance for professional development expenses.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Vocus Board has published a Code of Conduct which applies to all employees, including members of the Executive Team and to individual directors, and which adopts a number of the suggestions set out in Box 3.1 of the ASX Principles.

The Code of Conduct, together with a number of other policies formulated by the Board, have been designed to maintain integrity and confidence in Vocus and appropriately safeguard the reasonable expectations of Vocus' shareholders and other stakeholders. Examples of such policies include Vocus':

- Securities Trading Policy;
- Communications & Continuous Disclosure Policy;
- Risk Management Policy;
- Sustainability Principles; and
- Whistleblower Policy.

The Code of Conduct sets out the Board's expectations of each employee, the Executive Team and individual directors. These expectations include the obligation to act honestly and with integrity, to disclose actual or perceived conflicts of interest, to comply with applicable laws (including securities trading laws) and include an absolute prohibition on offering or accepting bribes or similar inducements or commissions.

Members of the Executive Team and individual directors have more extensive obligations, set out in the Code of Conduct. For example, members of the Executive Team are expected to lead by example and demonstrate compliance with the Code of Conduct.

The Code of Conduct, together with each other policy identified above in the commentary to this Recommendation, are published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Principle 4: Safeguard integrity in corporate reporting

The Board is committed to safeguarding the transparency and integrity of its corporate reporting. To achieve that commitment, Vocus has an established structure of review and authorisation to ensure that reports on its position (whether financial, operational or otherwise) are balanced and presented factually and accurately.

The Board views maintaining the integrity in its reporting as essential and non-delegable. Approving and monitoring compliance with systems of financial reporting is a matter which is strictly reserved to the Board and noted as such in the Board Charter.

Recommendation 4.1

During the reporting period, and in light of the increased size and scale of Vocus, and the diversified nature of the newly merged entities' businesses, the Board considered that it would be appropriate for a separate Audit Committee and Risk Committee to be established.

The objectives and role of the Audit Committee are set out in the Audit Committee Charter, which is available on the Corporate Governance section of Vocus' website. The core objectives and roles include overseeing the effectiveness and independence of Vocus' internal and external audit function and assuring the quality of both internal and external financial reporting.

During the reporting period, the Audit Committee met twice. Each Committee had at least three members at all relevant times.

The table below details the members, roles and independence of each person who was a member of the Audit Committee, and its predecessor committee, the Audit & Risk Committee, together with details of the attendance at the meetings held during the term of their appointment as a member of the Audit & Risk Committee or Audit Committee (as relevant):

Name	Role	Meetings Held	Meetings Attended	Attendance
Jon Brett	Independent Chair	2	2	100%
John Murphy*	Independent Director	1	1	100%
Anthony Davies*	Independent Director	1	1	100%
Anthony Grist **	Independent Director	1	1	100%
Michael Simmons**	Independent Director	1	1	100%

* Mr Murphy and Mr Davies resigned from the Board and the Audit Committee following the implementation of the M2 Scheme.

** Mr Grist and Mr Simmons were appointed to the Board and the Audit Committee part way through the reporting period, following the implementation of the M2 Scheme.

In addition to the directors named above, members of management, including Vocus' Chief Executive Officer and the Chief Financial Officer attended Committee meetings as invitees, as did Vocus' internal audit manager.

The relevant qualifications and experience of each member of the Audit Committee is set out on pages 11 to 13 of Director's Report for 2016.

The Audit Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 4.2

The Board notes that prior to it approving Vocus' financial statements for the half-year ended 31 December 2015 and for the full year ended 30 June 2016, it received declarations from both the Chief Executive Officer and the Chief Financial Officer.

In the declarations, Vocus' Chief Executive Officer and Chief Financial Officer declared respectively that, in their opinions (among other things):

- the financial records of Vocus have been properly maintained;
- the financial statements (and notes) of Vocus for the relevant accounting period comply with appropriate accounting standards; and
- the financial statements (and notes) of Vocus for the relevant accounting period give a true and fair view of the financial position and performance of Vocus.

Further, Vocus' Chief Executive Officer and Chief Financial Officer declared that their opinions in respect of the matters set out above were formed on the basis of a sound system of risk management and internal controls, which were operating effectively.

In respect of the half-year ended 31 December 2015, the Chief Executive Officer's declaration was provided by James Spenceley. Following his appointment as Chief Executive Officer in February 2016, the Chief Executive Officer's declaration for the full year ended 30 June 2016 was provided by Geoff Horth.

The declarations made in respect of the financial year ended 30 June 2016 satisfied the requirements of section 295A of the *Corporations Act 2001* (Cth).

Recommendation 4.3

During Vocus' Annual General Meeting held in November 2015, the lead audit partner of Vocus' external auditor firm, Deloitte Touche Tohmatsu, was in attendance.

Shareholders were afforded the opportunity to ask questions in respect of the audit, in accordance with sections 250RA and 250T of the *Corporations Act 2001* (Cth).

Shareholders were notified of this opportunity on page 5 of Vocus' Notice of Annual General Meeting of Shareholders for 2015.

The lead audit partner of Deloitte Touche Tohmatsu has also been invited to attend Vocus' Annual General Meeting for 2016 to answer any questions about the audit for FY16.

Principle 5: Make timely and balanced disclosure

The Board is committed to ensuring that Vocus makes timely and balanced disclosures to the market. The Board treats Vocus' disclosure obligations under the ASX Listing Rules and the Act seriously, and has established appropriate policies and procedures to ensure that these obligations are met.

Recommendation 5.1

Vocus' Communications & Continuous Disclosure Policy address a number of key disclosure issues, including those relating to acceptable conduct in respect of analyst and media briefings, circumstances in which trading halts must be requested and the processes for communicating announcements to the ASX.

All employees and directors have obligations under the Communications & Continuous Disclosure Policy, including to fully disclose to Vocus all details of market sensitive information which comes to their attention. Specific responsibilities are identified for the Chairman, the Board, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary.

The Communications & Continuous Disclosure Policy is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Board recognises the importance for all shareholders to easily access relevant information about Vocus and their shareholdings in a timely manner. Access to information will likely promote effective communication between Vocus and its shareholders and encourage engagement during Vocus' General Meetings and other events. This view is embodied in the Communications & Continuous Disclosure Policy.

To facilitate this access, the Board has embraced the use of technology to increase its reach to its shareholders, wherever they may be located. The accessible, high quality and relevant content on Vocus' corporate website demonstrates this commitment to the use of technology to improve the flow of information to its shareholders.

During the reporting period, Vocus undertook a significant update of its website, in particular, its Corporate Governance webpage. The Corporate Governance webpage is easily accessible, available to be accessed from a convenient located link on Vocus' landing page at <http://www.vocus.com.au>.

Vocus' website contains a variety of documents and other information which is, or may be, relevant to shareholders, including the following information suggested in the Commentary to Recommendation 6.1:

Information	Link
Names, photographs and brief biographical information of each director and member of the Executive Team	http://www.vocus.com.au/board-of-directors ; http://www.vocus.com.au/executive-team
Board and Committee Charters	http://www.vocus.com.au/corporate-governance
Corporate Governance policies	http://www.vocus.com.au/corporate-governance
Annual reports and financial statements	http://www.vocus.com.au/annual-reports
ASX announcements (including copies of notices of meetings and accompanying documents)	http://www.vocus.com.au/investors#announcements
Webcasts and transcripts of investor and analyst presentations	http://www.vocus.com.au/investors#announcements
An overview of Vocus' business	http://www.vocus.com.au/investors/our-companies

Information	Link
A description of Vocus' business segments / structures	http://www.vocus.com.au/investors/our-companies
A summary of Vocus' history	http://www.vocus.com.au/our-story ; http://www.vocus.com.au/investors/our-companies
Calendar of Events for the forthcoming year, including the time, venue and other relevant details for result presentations and the Annual General Meeting	http://www.vocus.com.au/investors/key-dates ; http://www.vocus.com.au/investors#announcements
Share price information and dividend information	http://www.vocus.com.au/investors/dividend-history ; http://www.vocus.com.au/investors
Contact details for enquiries and Registry	http://www.vocus.com.au/contact-us
Key security holder forms (e.g. DRP)	http://www.vocus.com.au/investors/ (see the link to the Computershare Investor Centre); http://www.vocus.com.au/investors/dividend-reinvestment-plan

During the reporting period, it should be noted that relevant information relating to Vocus' pro rata accelerated renounceable entitlement offer (with retail rights trading) and separate institutional placement was disclosed by Vocus to the ASX but was not published on Vocus' corporate website, in order to enable each offer to be conducted in a manner that was exempt from the registration requirements of the U.S. Securities Act of 1933 (as amended).

The Communications & Continuous Disclosure Policy is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 6.2

The Continuous Disclosure & Communications Policy also establishes the framework for Vocus' investor relations program. It is a central element to the program to ensure effective engagement with shareholders whilst not creating market asymmetry for market sensitive information.

In order for shareholders to gain a greater understanding of Vocus' business, governance practices, financial performance and future prospects, the Vocus schedules events during the year where it engages with institutional and private investors, analysts and the financial media. Such events are routinely scheduled after the release of Vocus' half year and full year financial results.

In accordance with the Continuous Disclosure & Communications Policy, meetings and discussions with analysts must be approved by the Chief Executive Officer and are generally conducted by the Chief Executive

Officer and the Chief Financial Officer. The discussions are restricted to explanations of information already within the market or which deal with information that is not market sensitive.

The Communications & Continuous Disclosure Policy is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 6.3

Vocus supports the provisions of the ASX Listing Rules and the Act which have the effect of improving and facilitating participation by shareholders at Vocus' general meetings. Consistent with those obligations, Vocus has adopted process and practices which include:

- providing proper prior advance notice of general meetings, including publishing key dates (including meeting dates) on the Corporate Governance section of Vocus' corporate website;
- inviting shareholders to submit written questions to the auditor prior to the Annual General Meeting;
- permitting direct voting in addition to voting via a proxy (or via a body corporate representative) or in person;
- affording shareholders a reasonable opportunity to ask questions or make comments on the management of Vocus at each Annual General Meeting;
- affording shareholders a reasonable opportunity to ask questions or make comments on Vocus' Remuneration Report at each Annual General Meeting; and
- affording shareholders a reasonable opportunity to ask questions of Vocus' external auditor in respect of the audit, the audit report, accounting policies and auditor independence at each Annual General Meeting.

Recommendation 6.4

The Board encourages shareholders to adopt electronic communications. Through Vocus' share register, shareholders are provided with the option to receive and send electronic communications to Vocus and its share registry in connection with their shareholding.

To encourage shareholders to communicate electronically with Vocus, Vocus' share registry, Computershare, has been instructed to enclose forms with each hardcopy communication dispatched to shareholders, offering shareholders the opportunity to receive communications from Vocus electronically, if they have not already elected to do so. For example, such a form was included with the notice of interim dividend mailed to shareholders in early 2016.

Information on how shareholders may communicate electronically with Vocus and its share registry is available at: <https://www.vocus.com.au/investors> and <https://www-au.computershare.com/investor/>

Principle 7: Recognise and manage risk

The Vocus Board considers that the development of a mature risk culture is integral for the proper identification and management of Vocus' strategic and operational risks.

Recommendation 7.1

As noted in Vocus' commentary on Recommendation 4.1, the Vocus Board considers that a dedicated Risk Committee was appropriate, given the increase in size and scale of Vocus during the reporting period, and the diversified nature of the newly merged entities businesses.

The objectives and role of the Risk Committee are set out in the Risk Committee Charter, which is available on the Corporate Governance section of Vocus' website. The core objectives and roles include assisting the Board to understand risks which may affect the ability of Vocus to achieve its strategic goals and objectives, as well as overseeing the implementation of Vocus' risk management strategy and making recommendations to the Board on Vocus' risk management framework.

During the reporting period, the Risk Committee met on six occasions. Each Committee had at least three members at all relevant times.

The table below details the members, roles and independence of each person who was a member of the Risk Committee, and its predecessor committee, the Audit & Risk Committee, together with details of the attendance at the meetings held during the term of their appointment as a member of the Audit & Risk Committee or Risk Committee (as relevant).

Name	Role	Meetings Held	Meetings Attended	Attendance
Stephen Baxter*	Independent Chair	3	3	100%
Anthony Davies*	Independent Director	3	3	100%
Anthony Grist*	Independent Director	2	1	50%
Rhoda Phillippo**	Independent Chair	3	3	100%
Jon Brett**	Independent Director	3	3	100%
Michael Simmons**	Independent Director	3	3	100%
John Murphy***	Independent Director	1	1	100%

* Mr Baxter and Mr Davies resigned from the Board and the Risk Committee following the implementation of the M2 Scheme. Mr Grist resigned from the Risk Committee at that time.

** Mr Brett, Mrs Phillippo and Mr Simmons were appointed to the Risk Committee (and in the case of Mrs Phillippo and Mr Simmons, to the Board) part way through the reporting period, following the implementation of the M2 Scheme.

*** Mr Murphy resigned from the Risk Committee during the reporting period.

In addition to the directors named above, members of management, including Vocus' Chief Executive Officer, Chief Financial Officer and Company Secretary routinely attend Committee meetings as invitees, as does Vocus'

Head of Human Resources when matters of work health and safety are on the agenda. Vocus' Group Risk Manager also serves as Chief Risk Officer, and attends each meeting of the Risk Committee.

The Risk Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 7.2

A comprehensive review of Vocus' risk management policy and framework, including its policy relating to delegations of authority, was undertaken by the Vocus Group Risk Manager, under the direction of the Risk Committee, following the implementation of the M2 Scheme. Following that review, Vocus' risk management policy and framework was updated.

Operational risk committees have been established in both Australia and New Zealand. Representatives from all areas of the Vocus business sit on these committees. The operational risk committees are charged with ensuring that operational risks are appropriately monitored and managed. The operational risk committees are chaired by the Vocus Group Risk Manager, who also reports on the activities of these committees to the Risk Committee at each meeting.

The Risk Management Policy is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 7.3

During the reporting period, Vocus had a dedicated internal audit function. Recognising the importance of the internal audit function, the role of the internal auditor is entrenched in the Audit Committee Charter.

The Charter establishes an objective of the Audit Committee as overseeing the effectiveness of the internal audit function, providing a forum for communication between the Board and internal auditors and establishing a structured reporting line for internal auditors.

The Charter also entrenches the role of the Audit Committee specifically with respect to the internal audit function, including ensuring that the internal audit is effectively coordinated and that the internal auditors have sufficient resources to undertake their role

Internal audit is usually invited to attend meetings of the Audit Committee and internal audit is empowered to requisition a meeting of the Audit Committee.

The Audit Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 7.4

Vocus' Senior Risk Manager has completed a review of Vocus' exposure to economic, environmental and social sustainability risks, among other risks.

Vocus published its inaugural Sustainability Principles document in 2016. The Principles address, among other things, Vocus' expectations that its business be conducted in a manner which does not have a material adverse impact on the environment, the community or its business suppliers (among others).

Further details of Vocus' exposure to economic, environmental and substantiality risks will be set out in Vocus' Sustainability Report and Annual Report for 2016.

The Sustainability Principles are published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

At all times during reporting period, Vocus had a functional Remuneration Committee, which operates under the Remuneration Committee Charter.

The composition of the Remuneration Committee changed during the reporting period as a result of the Amcom Scheme, and subsequently, the M2 Scheme.

During the reporting period, the Remuneration Committee met twice prior to the implementation of the M2 Scheme and three times after the implementation of the M2 Scheme.

The table below details the members, roles and independence of each person who was a member of the Remuneration Committee together with details of the attendance at the meetings held during the term of their appointment as a member of the Remuneration Committee.

Name	Role	Meetings Held	Meetings Attended	Attendance
Jon Brett*	Independent Chair	2	1	50%
Paul Brandling*	Independent Director	2	2	100%
John Murphy*	Independent Director	2	2	100%
Craig Farrow**	Independent Chair	3	3	100%
Rhoda Phillippo**	Independent Director	3	3	100%
Anthony Grist**	Independent Director	3	3	100%

* Mr Brett retired from the Remuneration Committee following the implementation of the M2 Scheme. Mr Brandling and Mr Murphy retired from both the Board and the Remuneration Committee following the implementation of the M2 Scheme.

** Mr Grist, Mr Farrow and Mrs Phillippo were appointed to the Remuneration Committee (and in the case for Mr Farrow and Mrs Phillippo, to the Board) following the implementation of the M2 Scheme.

The Remuneration Committee Charter is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>

Recommendation 8.2

Remuneration arrangements for non-executive directors are distinct from those for executive directors and members of the Executive Team. In particular, non-executive directors receive fees for their director services and will not receive equity or bonus compensation. Non-executive directors are also not entitled to receive benefits in connection with their retirement from office.

During the reporting period, new agreements were entered into with Vocus' two executive directors, Vaughan Bowen and James Spenceley, and with Vocus' Chief Executive Officer, Geoff Horth. These agreements are

effective from 1 July 2016. The material terms of the updated employment agreements for Mr Bowen, Mr Spenceley and Mr Horth were disclosed to the ASX on 27 June 2016 pursuant to ASX Listing Rule 3.16.1.

Further detailed information relating to Vocus' remuneration policies and practices for its directors and Executive Team is disclosed in the Remuneration Report forming part of Vocus' Annual Report for 2016, disclosed to the ASX on 23 August 2016.

Recommendation 8.3

Material amendments were made to Vocus' Securities Trading Policy during the reporting period, primarily to adopt a number of the recommendations in ASX Guidance Note 27 on Trading Policies.

The Securities Trading Policy applies to each of Vocus' employees and Key Management Personnel (as defined in the Securities Trading Policy), to different extents as appropriate.

The Securities Trading Policy confirms the prohibition on all employees and Key Management Personnel (including directors) in respect of insider trading. Additionally, the Policy sets out the types of dealings which are prohibited, permitted only with consent, or which are generally permitted.

Importantly, the Securities Trading Policy prohibits all employees and Key Management Personnel (including directors) from hedging their exposure to unvested or 'locked' remuneration. In the case of Key Management Personnel, the prohibition extends to their closely related parties.

Apart from insider trading and the ban on hedging, the Securities Trading Policy addresses black-out periods, margin lending and other secured financing arrangements, short selling and short term trading, as well as setting out the process of seeking consent to deal in Vocus' securities (where consent is permitted to be provided under the Securities Trading Policy).

The Securities Trading Policy includes provisions which are consistent with section 206J of the *Corporations Act 2001* (Cth) and regulation 2D.7.01 of the *Corporations Regulations 2001* (Cth).

A copy of the Securities Trading Policy was disclosed to the ASX on 3 June 2016 pursuant to ASX Listing Rules 12.10.

The Securities Trading Policy is published in the Corporate Governance section of Vocus' corporate website, accessible at: <https://www.vocus.com.au/investors/corporate-governance>