

Objective

CONNECTED. COLLABORATIVE. COMMUNITY.



CORPORATE GOVERNANCE STATEMENT.

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The Directors aspire to the highest standards of corporate governance that could be deemed appropriate for a Company the size of Objective Corporation Limited, the extent of its activities and the number of Directors. The Board's primary role is the protection and enhancement of long-term shareholder value. The Directors take ultimate responsibility for corporate governance and operate in accordance with the Company's constitution, Australian Stock Exchange (ASX) Rules, the Corporations Act, and other applicable laws.

The Board has delegated responsibility for the operation and administration of the Company and its controlled entities to its Chief Executive Officer. Responsibilities are delineated by authority delegations.

The Directors possess a broad range of skills, qualifications and experience. The Board meets regularly, usually on a monthly basis, and all information in connection with items being discussed at a meeting of the Board is provided to each Director prior to the meeting. With the approval of the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

In addition to formal Board meetings, during the year, the Directors held frequent informal

discussions and reviews of the Company's affairs. These include matters pertaining to the Company's assets, budgets, investments, acquisitions, remuneration of executives, staff and consultants, independent professional advice, accounting, audit, internal financial controls, risk assessment and ethical standards.

At the date of this report the Board comprises three Non-Executive Directors and one Executive Director. Directors appointed by the Board are subject to election by shareholders at the following annual general meeting, and thereafter, Directors (other than the Chief Executive Officer) are subject to re-election at least every three years.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board then determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities. The Board identifies potential candidates with advice from an external consultant where necessary. The Board then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

The performance of each Director is reviewed annually. All new Directors will take part in an induction program to educate new Directors on the Company's business and allow them to fully participate in the Board decision making at the earliest opportunity. Directors are given access to opportunities to update and enhance their skills and knowledge.

The Company has established an Audit Committee, which has a formal charter approved by the Board of Directors. The Audit Committee reviews the financial statements and considers and recommends accounting policies to be adopted by the Company to the Board of Directors. The members of the Committee during the financial year were Leigh Warren and Nick Kingsbury. The Chief Executive Officer, Chief Financial Officer and the external auditors are invited to Committee meetings, at the discretion of the Committee.

The Directors are responsible for the strategic direction of the Company, the setting of the corporate objectives, monitoring of the operational and financial performance of the Company's activities, and the Company's system of internal control. In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment of suitable qualified and experienced personnel.



The Company has developed a business operations manual, which includes detailed policies and procedures and a system of formal reporting to assist it to manage and monitor operating, financial and compliance risk for the Group.

The Company's risk profile is minimised by establishing practices such as:

- annual budgeting and monthly reporting systems to enable the monitoring of key performance indicators
- business transactions are properly authorised and executed
- attracting and retaining quality and ethical personnel through recruitment practices; training and development plans; and annual performance reviews for staff
- occupational health and safety standards are stringently managed throughout the business
- a comprehensive insurance program

The Chief Executive Officer and the Chief Financial Officer have declared in writing to the Board that the financial risk management and associated compliance controls have been assessed and found to be operating efficiently and effectively.

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially

conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant board papers and will not participate in the consideration of the item.

Directors and senior management may acquire shares in the Company, but are prohibited from dealing in Company shares under the following circumstances:

- prior to any major announcement; or
- whilst in possession of unpublished price sensitive information concerning the Company.

Directors and senior management must notify the Company Secretary before they sell or buy shares in the Company. Details of all security transactions by Directors must be notified to the Company Secretary within five days of their occurrence and are publicly reported to the ASX.

The Board has a policy in place to identify matters that may have a material effect on the price of the Company's securities and ensuring disclosure to the ASX and posting on the official Objective Corporation Limited's website. The Company's website contains copies of the Company's announcements and this information will be emailed to shareholders who lodge their contact details with the Company. The Executive Chairman and the Company Secretary are responsible for interpreting the Company's policy and

where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and understanding of the Company's strategies and goals. The Company requests its external auditor attend the annual general meeting and to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report.

The board has adopted a Code of Conduct that applies to all Directors and employees of the Company. The Code provides guidance for Directors and employees on the standards that Objective expects in the conduct of its operations. The Code covers items such as:

- the way in which we must discharge our duties;
- compliance with laws;
- conflicts of interest;
- confidentiality;
- dealing in company securities;
- the use of the Company's resources;
- the environment, health and safety.

The Code is published on the Company's website.

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ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS

For the year ended 30 June 2009, the Company did not meet ASX Corporate Governance Council recommendations in the following areas:

Composition of the Board and Chairman

Due to the fact that the Directors control approximately 89% of the Company's shares it is inappropriate that a majority of the Board should be independent Directors and the Chairman should be independent. The Board believes it is appropriate that the role of the Chairman and Chief Executive Officer are both filled by Tony Walls. Compliance costs would be significant with questionable benefits for the Company and its stakeholders.

Audit Committee

The Company has an Audit Committee, as detailed previously, but does not fully comply with the best practice recommendation in regards to the composition of the Committee. The Company believes that the cost of compliance would surpass any benefits from having additional independent Non-Executive Directors appointed to comply with the ASX Corporate Governance Council recommendations.

Remuneration and Nomination Committee

Due to the size of the Board of the Company, the formation of Independent Remuneration and Nomination Committee is not considered practical. As stated previously, the existing members of the Board review remuneration and nomination for vacancies.

Options issued to non-executive directors

To attract and retain a high quality board, Non-Executive Directors are eligible to participate in the Employee Option Plan (subject to shareholder approval).