

Corporate Governance Statement

Intec Ltd's (Intec or the Company) Board of Directors (the Board) is responsible for the corporate governance of the Company and its controlled entities. Corporate governance is a matter of significant importance to the Company, and is undertaken with due regard to all of Intec's stakeholders and its role in the community. The Board and its Corporate Governance Committee draw on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council's third edition of the publication, "Corporate Governance Principles and Recommendations", which was released in March 2014 and is referred to for guidance purposes. Unless explicitly stated otherwise, the Directors believe that the Company complies with the major principles and recommendations of the ASX with the exception that there may be some instances where compliance is not practicable for a company of Intec's size.

The Board has approved and adopted policies and charters with which Directors and management are required to comply, and which contain the information recommended by the ASX. These policies and charters can be found in the Corporate Governance Manual on the Company's website at www.intec.com.au under the section 'About Us – Corporate Governance'. Intec sets out below the Company's position relative to each of the eight principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company has disclosed the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management.

The Board's roles and responsibilities include the following:

- Setting and reviewing the vision, goals and strategy of the Company;
- Approving the Company's annual strategic plan and major operating plans;
- Approving Company budgets;
- Reviewing and providing feedback on the performance of the Managing Director;
- Reviewing the performance of the Board and individual Directors;
- Reviewing the half-year and annual financial statements and reports;
- Reviewing the quarterly cash-flow and activities statements; and
- Determining Company policies and ensuring that adequate procedures are in place to manage the identified risks.

The Company has a small Board of two Non-Executive Directors (consisting of Trevor A Jones – Non-Executive Chairman and Daniel (Don) J Cronin – Non-Executive Director) and one Executive Director (Kieran G Rodgers – Managing Director). The Company's Board Charter can be found in the Corporate Governance Manual on its website at www.intec.com.au under the section 'About Us – Corporate Governance'.

The roles and responsibilities of the Chairman include:

- Vision/Strategy – Ensuring leadership in both setting and reviewing the Company's vision and strategy in order to achieve the Company's goals;
- Board Meetings – Setting Board meeting agendas with the Managing Director and Company Secretary, ensuring that Directors receive all relevant information needed and chairing Board meetings and dealing with conflicts;
- Annual General Meeting (AGM) – Chairing the AGM and ensuring that shareholders have the opportunity to speak on relevant matters and ensuring that the audit partner attends;
- External – Spokesperson with the Managing Director on Company matters;
- Managing Director – Chairing the performance appraisal of the Managing Director; and
- Board – Initiating Board and Committee performance appraisals, ensuring that agreed composition is maintained and Director induction plans are in place.

The Managing Director's roles and responsibilities include:

- Vision/Strategy – Formulating with the Board the vision and strategy of the Company, developing plans to achieve this vision and reporting regularly to the Board on progress in this regard;
- Management Team and Employees – Providing leadership, appointing and negotiating terms of employment of senior executives (with Board approval where necessary), developing a succession plan, ensuring procedures are in place for the education and training of the management team and employees to ensure compliance with relevant laws and policies;
- Operations – The successful implementation of the Company's commercialisation activities; and

- Board – Bringing all matters requiring review and/or approval to the Board, advising the Board of any changes in the Company’s risk profile, providing certification regarding the half-year and annual financial reports, reporting to the Board on a monthly basis on the performance of the Company and ensuring the education of Directors on relevant matters.

Further information on the roles of the Chairman and Managing Director can be found in the Corporate Governance Manual on the Company’s website under the section ‘About Us – Corporate Governance’.

Management’s roles and responsibilities include:

- The operation and administration of the Company, as delegated by the Board;
- Implementing the strategic objectives of the Company and operating within the risk profile set by the Board;
- Complying with all necessary aspects of the day-to-day running of the Company; and
- Providing the Board with accurate and timely financial and other information in order to enable the Board to perform its responsibilities.

The Company has a small management team and hence roles and functions have to be flexible to meet specific requirements.

The Company undertakes appropriate checks before either appointing a new Director or putting forward to security holders a candidate for election as a Director. The Company also provides security holders with all material information in its possession relevant to a decision on whether or not to either elect or re-elect a Director.

The Company has a written agreement with each Director and senior executive(s) setting out the terms of their appointment.

The Company also has a policy concerning trading in its securities by Directors and employees, which provides guidelines for buying and selling securities. This Securities Trading Policy can be found on the Company’s website at www.intec.com.au under the section ‘About Us – Corporate Governance’. Directors, employees and key consultants of the Company may only deal in Intec’s shares during ‘window periods’, as set out in the Company’s Securities Trading Policy, and trading is approved by the Managing Director or the Chairman. However, Directors, employees and key consultants of the Company are prohibited from buying or selling Intec shares at any time if they are aware of price-sensitive information that has not been made public.

The Company Secretary of the Company is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The Company has a Diversity Policy, which includes requirements for the Board and Corporate Governance Committee to set measurable objectives for achieving gender diversity, and to assess annually both the objectives and the Company’s progress in achieving them. The Company has disclosed its Diversity Policy in the Corporate Governance Manual on its website at www.intec.com.au under the section ‘About Us – Corporate Governance’. The Company discloses the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation. The Company has two employees and two contractors. The Company does not have any women either on its Board or in a senior executive position. One employee is a woman. The Company has defined “senior executive” for these purposes in accordance with the classification in the Remuneration Report. It is the intention of the Company that as it grows in size it will address the lack of women in senior executive positions in accordance with its adopted Diversity Policy. Subject to the size and operations of the Company, the Board is committed to the long-term goal of improving gender representation across all levels of the organisation.

The Company has a process for periodically evaluating the performance of the Board, its committees, individual Directors and senior executives using an evaluation questionnaire in relation to each reporting period. This performance evaluation was undertaken in the last reporting period in accordance with that process. A performance evaluation of the Board, its Committees and Directors, was carried out by the Directors in the last 12 months. The members agreed that the Board has an appropriate balance of experienced Directors. The Board of Directors of the Company believes it is important that it review its own performance and that of its committees, with a view to achieving a high level of performance by the Board. Directors may at any time discuss with the Chairman any issue concerning Board performance. All one-on-one discussions are confidential, unless otherwise agreed by the Director concerned. The Board may engage external consultants to evaluate its performance in accordance with this policy; implement recommendations made by the Board as a result of any evaluation; and suggest or provide appropriate training or courses for either the Board or certain Directors. The Company has a Board

Performance Review Policy, which can be found in the Corporate Governance Manual on its website at www.intec.com.au under the section 'About Us – Corporate Governance'.

Principle 2: Structure the Board to add value

Having regard to the size of the Company and its limited financial capacity, there is no additional benefit from having a separate Nomination Committee at this stage in the Company's development. Therefore the Board has a combined Nomination and Remuneration Committee. This Committee does not comply with the recommendation of having at least three non-executive members, as the Company has only two non-executive Directors. The Nomination and Remuneration Committee therefore comprises Daniel (Don) J Cronin – Committee Chairman and Trevor A Jones – Non-Executive Director, both of whom are independent Directors as is recommended. The charters of the Committee are disclosed in the Corporate Governance Manual on the Company's website under the section 'About Us – Corporate Governance'. As at the end of the last reporting period, this Committee met once and both Committee members attended the meeting. The Nomination and Remuneration Committee, which carries out the role that might otherwise be carried out by a separate Nomination Committee, employs processes 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.

The Company has a Board skills matrix (see Appendix A below) setting out the mix of skills and diversity that the Board currently has. The Board has the appropriate skills and knowledge required, and the mix of skills and Board diversity will remain under review.

The names of the Company's Directors considered by the Board to be independent Directors are Trevor A Jones – Non-Executive Chairman and Daniel (Don) J Cronin – Non-Executive Director. The length of service of each Director is as follows: Trevor A Jones – 8.6 years, Kieran G Rodgers – 8.6 years and Daniel (Don) J Cronin – 1.8 years. A majority of the Board of the Company is made up of independent Directors, as recommended. The Chairman of the Board of the Company, Trevor A Jones, is an independent Director and is not the same person as the Managing Director of the Company, i.e. Kieran G Rodgers. A description of the skills and experience of each Director, and their period of office, is set out in the Directors' Report section of the Annual Report. A Director may be elected for a term of a maximum of three years. To ensure a gradual and controlled movement of Directors, the longest serving one-third of all Directors (rounded down to the nearest whole number) is required to retire at each AGM, but shall be eligible for re-election.

The Company has a programme for inducting new Directors. Each Director of the Company has the right to obtain independent experts' advice to enable them to fulfil their obligations at the expense of the Company and after obtaining approval of the Chairman. The Company provides appropriate professional development opportunities as required for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3: Act ethically and responsibly

The Company has a Code of Conduct for its Directors, senior executives and employees, which is disclosed in the Corporate Governance Manual on its website at www.intec.com.au under the section 'About Us – Corporate Governance', and is appropriate for the Company's size and the close interaction of individuals throughout the organisation. The general principles and practices of the Company, as outlined in its Code of Conduct, are as follows: employees of the Company must act honestly, in good faith and in the best interests of the Company as a whole; employees have a duty to use due care and diligence in fulfilling the functions of their position, and exercising the powers attached to their employment; employees must recognise that their primary responsibility is to the Company's shareholders as a whole; employees must not take advantage of their position for either personal gain or the gain of their associates; Directors have an obligation to be independent in their judgements; confidential information received by employees in the course of the exercise of their duties remains the property of the Company and can only be released or used with specific permission from the Company; and employees have an obligation to comply with the spirit, as well as the letter, of the law and with the principles of this Code of Conduct. The Company strives to act responsibly towards the environment through all of its activities in an environmentally responsible manner. The Company always tries to deal with business associates who demonstrate similar ethical and responsible business practices.

Principle 4: Safeguard integrity in corporate reporting

The Board of the Company has an Audit Committee. Having regard to the size of the Company, where there are only two Non-Executive Directors, the Board cannot currently comply with the recommendation of having at least three members all of whom are non-executives. The Audit

Committee therefore only has two members, being Daniel (Don) J Cronin (Committee Chairman) and Trevor A Jones, who are both Non-Executive, independent Directors. The Chairman of the Committee is an independent Director, who is not the Chairman of the Board, and the charter of the Committee is disclosed in the Corporate Governance Manual on its website at www.intec.com.au under the section 'About Us – Corporate Governance'. The Directors have applicable expertise and skills, and are suitably qualified, for this Committee. The relevant qualifications and experience of the members of the Committee can be found on the Company's website at www.intec.com.au under the section 'About Us – Board and Management', as well as in the Directors' Report of the Annual Report. The Audit Committee reports to the Board after each Committee meeting and after meeting with the Company's external auditors; meetings are held at least twice each year. During the 2014-15 financial year the Audit Committee met twice and both members attended each meeting. In conjunction with the full Board, the Audit Committee reviews the performance of the external auditors, including the scope and quality of the audit. The primary responsibilities of the Audit Committee are to oversee the existence and maintenance of internal controls, accounting systems and the financial reporting process, to nominate external auditors and to review existing external audit arrangements, including the selection, appointment and rotation of external audit engagement partners.

The Board of the Company receives from its CEO and CFO (before it approves the Company's financial statements for a financial period) a declaration that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards. The declaration also states that the financial statements give a true and fair view of the financial position and performance of the Company, and that their opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively. The Company periodically reviews its procedures to ensure compliance with the recommendations set out under this principle.

The Company ensures that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. This has been supported by the Company's audit partner.

Principle 5: Make timely and balanced disclosure

The Company has a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules. The Company has disclosed that policy in the Corporate Governance Manual on its website at www.intec.com.au under the section 'About Us – Corporate Governance'. The Company makes timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. The Company, its Directors and its staff are aware of the ASX's continuous disclosure requirements, and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. A regular review takes place to ensure compliance with ASX Listing Rule 3.1 on continuous disclosure and there is accountability at a senior executive level for that compliance. The Company maintains a register of matters considered for possible market disclosure.

Principle 6: Respect the rights of security holders

The Company provides information about itself and its governance to investors via its website at www.intec.com.au. The Company respects the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise their rights effectively. On the Company's website interested parties can find information about the Company and its businesses under the homepage heading "Welcome to Intec Ltd" and can also find information on the Company's Corporate Governance under the homepage heading "About Us". The names, photographs and brief biographical information for each of the Company's Directors and the Company Secretary can be found under the "About Us" section under "Board and Management". The Company has included on its website under the "Investor Information" section links to its Financial Reports i.e. copies of its Annual Reports, Half-Yearly Reports and Quarterly Reports. Copies of the Company's announcements to ASX for the last four years can be found under the "ASX Announcements" section. In the "About Us" section under "Corporate Directory" the Company's contact details can be found, as well as details of the Company's Share Registry, legal adviser, patent attorney, Auditor and stock exchange listings.

Intec has designed and implemented an investor relations programme to facilitate effective two-way communication with investors. The Company has an appropriate communications policy to promote effective communication with shareholders, which is in line with the Company's size and its financial capacity, and it can be found in the Corporate Governance Manual on its website at www.intec.com.au under the section 'About Us – Corporate Governance'. The Company discloses the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. The small size of the Company means that the main ways that the Company

allows investors and other financial market participants to gain a greater understanding of the Company's business, governance, financial performance and prospects is by encouraging shareholder participation at AGMs, where it actively engages with security holders, and meeting with security holders upon request and responding to any enquiries they may make from time-to-time. When investors and other financial market participants express their views to the Company on matters of concern or interest to them those views are distilled and communicated to the Board. The Company gives security holders the option to receive communications from, and send communications to, the Company and its security registry electronically; the Company's electronic contact details and those of the Share Registry can be found under the "About Us" section under "Corporate Directory".

Principle 7: Recognise and manage risk

The Company does not have a separate committee that specifically oversees risk due to the fact that Intec is a small company and believes that the processes it employs for overseeing the Company's risk management framework are sufficiently developed by management; it is the Board's role and responsibility to review these processes, and the Company feels that this is a more cost-effective and appropriate way of overseeing risk until it grows in size. The Board identifies areas of significant business risk, and ensures that policies and procedures are in place to adequately manage those risks. The Board and the Audit Committee review the Company's risk management framework at least annually to satisfy themselves that it continues to be sound. Company and business risk factors are an agenda item at each Board meeting, and the Managing Director periodically reports to the Board on risk management, internal controls and the Company's insurance programme. The Audit Committee also provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's risk management systems. In relation to the last reporting period risk reviews have taken place and the Board has satisfied itself that its risk control policies continue to be sound. The Audit Committee Charter and its references to risk management are included in the Corporate Governance Manual on the Company's website at www.intec.com.au under the section 'About Us – Corporate Governance'.

The Company does not have an internal audit function. The processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes include: the review of its actual versus budget variances in revenue and expenses; and the periodic review of source accounting documentation by someone independent of the Accounts Department and independent of the regular accounting documentation approval process. The Company discloses in the Directors' Report section of its Annual Report its material exposure to economic, environmental and social sustainability risks.

Principle 8: Remunerate fairly and responsibly

As mentioned above under Principle 2, the Board has a combined Nomination and Remuneration Committee. Having regard to the size of the Company, the Board does not believe it is necessary or cost-effective to have a separate Remuneration Committee. This joint Committee does not comply with the recommendation of having at least three members, as it only has two, Daniel (Don) J Cronin – Committee Chairman and Trevor A Jones – Non-Executive Director, but both are independent Directors and the Chairman of the Committee is an independent Director. The charter of the Committee is disclosed in the Corporate Governance Manual on the Company's website at www.intec.com.au under the section 'About Us – Corporate Governance'. As at the end of the last reporting period, this Committee met once and both Committee members attended the meeting.

The Company separately discloses its policies and practices regarding the remuneration of Non-Executive Directors, and the remuneration of Executive Directors and other senior executives. A clear distinction between, and description of, the structure of Non-Executive Directors' remuneration, and the Managing Director and executive remuneration, is set out in the Remuneration Report (contained in the Directors' Report) of the Company's Annual Report, and, in accordance with Corporations Act requirements, the Company discloses the fees and salaries paid to all Directors, plus its highest paid officers. The Company pays Director remuneration that is sufficient to attract and retain high-quality Directors, and has designed its executive remuneration to attract, retain and motivate high-quality senior executives, and to align their interests with the creation of value for security holders. The Nomination and Remuneration Committee meets as and when required to review performance matters, and make recommendations to the Board in relation to the Company's remuneration framework for Directors, including the process by which any pool of Directors' Fees approved by security holders is allocated to Directors, and in relation to the remuneration packages to be awarded to executives, equity-based remuneration plans for executives and other employees, superannuation arrangements for Directors, executives and other

employees, and in relation to whether there is either any gender or other inappropriate bias in remuneration for Directors, executives or other employees. The Directors work closely with management, and have full access to all the Company's files and records. The Company sought independent external advice and market comparisons during the last 12 months.

The Company has an equity-based remuneration scheme, being its Employee Share Scheme, which was approved by shareholders at the 28 November 2014 AGM. The Company has a policy that participants in the Employee Share Scheme are not permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The summary of the policy can be found in the Notice of AGM for 28 November 2014, which can be found under the "ASX Announcements" section of the Company's website or on the ASX website. There are no schemes for retirement benefits, other than superannuation, for Non-Executive Directors. The Directors believe that the size of the Company makes individual salary and contractor negotiation more appropriate than formal remuneration policies.

APPENDIX A – Board Skills Matrix

Skills, Diversity and Experience of the Board	Number of Directors (Out of Three Directors)
Leadership	3
Corporate Governance and Compliance	3
Regulatory Compliance	3
Membership of Governance or Regulatory Bodies	1
Position held on Financial Bodies and Councils	1
Strategy	3
Senior Management positions held outside Intec Ltd	0
Directorships held outside Intec Ltd	0
CEO / CFO / COO experience	3
General Management	3
Tenure – with Intec Ltd for up to three years	1
Tenure – with Intec Ltd for over nine years	1
Operations	3
Occupational Health and Safety	2
Experience Managing Environment Issues in an Organisation	2
Project Delivery	2
Sector / Industry Experience	3
Geographic Experience – Global	2
Geographic Experience – Asia Pacific	1
International Business	2
Finance / Accounting	3
Mergers and Acquisitions / Equity / Capital Markets	3
Experience in Growing a Business	3
Experience in Implementing Capital Projects	2
Banking / Investment Banking	2
Business Development	3
Risk Management	3
Marketing	3
Remuneration / Human Resources Management / People	2
Government Relations	1
Professional Services	1
Gender Diversity – Females	0
Technology	2
Tertiary Qualifications	3
Post-Graduate Business Studies and CA or CPA	2
Residency in Australia	3
Residency outside Australia	0