

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out EPAT Technologies Ltd's compliance with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The Company's policies discussed below can be found at www.minquest.com.au.

ASX Principles and Recommendations	Comply (Yes / No)	Commentary
1. Lay solid foundations for management and oversight		
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.	Yes Yes	The Board Charter sets out these matters. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer / Managing Director.
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.	Yes Yes	The Company undertakes appropriate checks before appointing a person as a Director of the Company. When the election of a Director is put to security holders all material information relevant to the vote are incorporated in the meeting documents.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has written agreements in place with each of its Directors and senior executives.
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.	Yes	The Company Secretary is directly accountable to the Board on all matters to do with the proper functioning of the Board.
1.5 A listed entity should : (a) have a diversity policy which includes the requirement 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; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board.	Yes Yes No	The Board has adopted a diversity policy that applies to all directors and officers of the Company. The Board has not yet set measurable objectives for achieving gender diversity.
1.6 A listed entity should : (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No No	The performance of the Board and individual Directors are evaluated in accordance with the Performance Evaluation Policies introduced via the Board Charter. As of the date of this Prospectus, the Board has not completed a performance evaluation of its Committees and its individual Directors.
1.7 A listed entity should : (a) have and disclose a process for periodically evaluating the performance of its senior executives; and	No	Given the size of the Company, the Board has not considered it appropriate to have a process for periodically evaluating the performance its senior executives. The performance of Executive Directors

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(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	No	falls within the ambit of the Nomination Committee, and its functions are carried out by the full Board.
2. Structure the Board to add value		
2.1 The Board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and (b) disclose: (1) the charter of the committee; (2) the members of the committee; and (3) as at the end of each reporting period, the number of times the committee met.	No	There is no nomination committee separate to the full Board. The role of the nomination committee is undertaken by the full Board. The Board considers that, given the Board is comprised of four Directors and given the current size and scope of the Company's operations, no efficiencies or other benefits would be gained by establishing a separate nomination committee.
2.2 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.	No	The Board has not considered it necessary to create a formal document that sets out the particular skills of the existing Board due to the Company's size and operations.
2.3 A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director	Yes	The names and dates of appointment of the Directors whom the Company considers to be independent are: <ul style="list-style-type: none"> • John Murray (appointed XX/09/2016) • Ross Harricks (appointed XX/09/2016) • Adam Davey (appointed 30/9/2014) Phillip Daffas is the Managing Director and is not considered to be independent.
2.4 A majority of the Board of a listed entity should be independent directors.	Yes	The Board has three independent directors and one non-independent director.
2.5 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.	Yes	The Chair of the Board is an Independent Director.
2.6 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.	No	The Company does not have a formal program in place due to the size of the Board. However, as part of their individual appointments, the Board (carrying out the functions of the Nomination Committee) carefully reviews the suitability of every Director, which includes an assessment of their skills and qualifications.
3. Act ethically and responsibly		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes Yes	The Board has adopted a Corporate Code of Conduct, which forms part of its Corporate Governance Plan. A copy of the Corporate Governance Plan can be accessed via the Company's website.

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6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	No	Given the size of the Company and its shareholder base, apart from its objectives as set out in its Shareholder Communications Strategy, the Board does not consider it necessary to provide additional facilities to encourage participation at meetings of security holders.
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders can register with the Company's Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the annual, half yearly and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.
7. Recognise and manage risk		
7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and (b) disclose: 1. the charter of the committee; 2. the members of the committee; and 3. the number of times the committee met; or (c) 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.	No.	MinQuest recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. As a result, the Board has adopted a Risk Management Policy which sets out the Company's system of risk oversight, management of material business risks and internal control. Due to the size and scale of operations of the Company the full Board undertakes the role of the Risk Management Committee.
7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes Yes	The Board is responsible for overseeing the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs.	No	Due to the size and scale of operations of the Company the Board considers that it would not be efficient to implement an internal audit function at this time. The Board is responsible for overseeing the Company's risk management systems, practices and procedures.
7.4 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.	Yes	The Company is faced with a number of economic, environmental and social sustainability risks. The Board, carrying out the functions of the Audit and Risk Committee, and as guided by the Risk Management Review Procedure reviews and manages these risks on a regular basis.

