

Corporate Governance Statement

The Board of Directors of Mobilicom Limited (MOB or **the Company**) is responsible for the corporate governance of the Company and its subsidiaries. The Board guides and monitors the business and affairs of MOB on behalf of the Shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the ASX Corporate Governance Council's Principles and Recommendations.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

	Corporate Governance Council Recommendation	Compliance	Disclosure
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.	Complies	<p>The Board is responsible for the overall corporate governance of MOB. The Board monitors the financial position and performance of MOB and oversees its corporate strategy including approving the strategic objectives and budgets of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of MOB. In conducting business with these objectives, the Board seeks to ensure that MOB is properly managed to protect and enhance Shareholder interests, and that MOB, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing MOB including adopting prudent and effective internal controls, risk management processes and corporate governance policies, which it believes are appropriate for MOB's business and which are designed to promote the responsible management and conduct of MOB.</p> <p>The Board has adopted a Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged.</p>
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.	Complies	<p>(a) The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and the best standards of governance.</p> <p>(b) This will necessarily include undertaking background and other checks before appointing a person or putting them forward to security holders as a candidate for election as a Director, as well as providing all material information relevant to a decision for election as a Director. The qualifications, experience and special responsibilities of the Board Members are set out in the Directors' Report of the Annual Report for the year ended 31 December 2019.</p>
1.3	A listed entity should have a written agreement with each director and senior	Complies	On appointment of a Director or senior executive, the Company issues a letter of appointment setting out the terms and conditions of their appointment to the Board and Company. The Directors and senior executives have received a letter setting out the terms of their appointment.

	executive setting out the terms of their appointment.		
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.	Complies	The Company Secretary is appointed by the Board and is responsible for developing and maintaining the appropriate governance systems and processes for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Kate Goland.
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	Complies	<p>(a) The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity. Diversity drives the Company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality services to its customers and continue to grow the business. In addition to business policies, practices and behaviours that promote diversity and equal opportunity and create an environment where individual differences are valued, the Board adopted a Diversity policy in February 2017. This policy sets minimum expectations to be met by the Group on workforce diversity.</p> <p>(b) A copy of the Policy is available on the Company's website: www.mobilicom-ltd.com.au. The Board of Mobilicom will endeavour to:</p> <ul style="list-style-type: none"> • facilitate a corporate culture that embraces diversity and recognises employees at all levels have responsibilities outside of the workplace; • ensure that meaningful and varied development opportunities are available to all employees to enhance the retention of new employees and promotion of existing employees; • recruit from a diverse pool of candidates for all positions, including Board and senior management appointments; and • review succession plans to ensure an appropriate focus on diversity. <p>(c) The Board has set a number of objectives under the Policy, namely to identify ways and, where applicable, specify benchmarks against which the achievement of diversity is measured, for the Board to assess and report annually on the Company's progress towards achieving its diversity goals. To set meaningful objectives, the Board will assess its current diversity levels and identify where gaps exist. Measurable objectives will then be developed which are tailored towards improving diversity in areas where most improvement is needed.</p> <p>(1) As a measurement of gender diversity, the proportion of women employees in the entity as at 31 December 2019 are as follows:</p> <p style="text-align: center;">Women on the Board: 0%</p>

			<p>Women in senior executive roles: 25%</p> <p>Women in management position: 30%</p> <p>Women in the organisation: 32%</p> <p>(2) The Company is not a relevant employer under the Workplace Gender Equality Act.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>(a) MOB has adopted a performance evaluation process in relation to the Board and its Committees. The performance of the Board, its Committees and the individual Directors is subject to regular review. The Chairman determines the evaluation criteria and process based on inputs from the Board.</p> <p>(b) A performance evaluation was not undertaken during this reporting period.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>(a) Senior executives prepare strategic objectives that are reviewed and approved by the Board. These objectives must then be met by senior executives as part of their key performance targets. The Chief Executive Officer (CEO) then reviews the performance of the senior executives against those objectives. These reviews occur annually.</p> <p>(b) A performance evaluation was undertaken during the reporting period.</p>

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose the charter of 	Complies	<p>The Company has a Remuneration and Nomination Committee that currently consist of the following members, Jon Brett (Independent, Non-Executive Director), Campbell McComb (Non-Executive Director), Mark Licciardo (Independent, Non-Executive Director) and Tzvika Friedman (Mobilicom Israel Board Member). The Chairman of the Committee is Jon Brett.</p> <p>Details of the number of Remuneration and Nomination Committee meetings and attendance at those meetings are set out in the Directors' Report.</p>
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	<p>the committee, the members of the committee; and</p> <p>3. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>		<p>The Remuneration and Nomination Committee has adopted a formal Charter which is available on the Company's website www.mobilicom-ltd.com.au. The Charter sets out the Committee's responsibilities including establishing appropriate remuneration policies and levels for Directors and senior executives, undertaking an annual review of the CEO's performance, regularly reviewing Board structure and membership and overseeing succession planning.</p> <p>Details of the amount of remuneration, and all monetary and non-monetary components, for each of the Key Management Personnel during the period is included in the Directors' Report.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Complies in part	<p>The Company supports the appointment of Directors who bring a wide range of business and professional skills and experience. While the Company does not have or disclose a formal skills matrix it does consider Directors' attributes prior to any appointment. The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report and their attendance at Board meetings is included in the Directors' Report. The Board has an extensive range of knowledge and skills with relevant experience as detailed in the Annual Report.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question</p>	Complies	<p>(a) The Directors considered by the Board to be independent are set out in the Directors' Report of the Annual Report. The Board has adopted a definition of independence based on that set out in Principle 2 of the ASX Corporate Governance Council Principles and Recommendations. The Board considers Mark Licciardo and Jon Brett to be Independent Directors of the Board.</p> <p>(b) Mark Licciardo is associated with Mertons Corporate Services Pty Ltd, an entity which has been engaged to provide company secretarial and corporate governance services to Mobilicom. The terms of the engagement are, in the view of the Board, on arm's length and standard commercial terms and are able to be terminated on 90 days' notice (or by Mertons Corporate Services on 2 business days' notice in the event of a breach by Mobilicom of a regulatory or legal obligation). Given the terms and nature of the arrangement (being for the provision of governance services), the Company does not consider that Mark Licciardo's</p>

	and an explanation of why the board is of that opinion; and (c) the length of service of each director.		independence as a Director is compromised. Directors are also required to declare any conflict of interest prior to consideration of matters at the meetings of the Board. (c) The length of service for each Director is detailed in the Director's Report of the Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	Currently only Mark Licciardo and Jon Brett are considered by Mobilicom to be independent Directors. Accordingly, the majority of the Board is not considered independent. The Board believes that the composition of its Board (supported by senior management) is appropriate for Mobilicom having regard to the size and operations and skill set of the Company's Directors both individually and collectively. However, the Board, with the assistance of the Remuneration and Nomination Committee, will periodically review the size and composition of its Board with a view to making further appointments (which may include further independent Directors) at appropriate times. The Board believes that independent judgment is achieved and maintained in respect of its decision-making processes. Furthermore, all Directors are entitled to seek independent professional advice as and when required. The Directors believe that they are able to objectively analyse the issues before them in the best interests of all shareholders and in accordance with their duties as Directors.
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.	Does not comply	The Chair of Mobilicom is Oren Elkayam who is also the Chief Executive Officer. Given the Company's current size and its operations, Mobilicom is of the view that Mr Elkayam is the most appropriate person to lead Mobilicom as Chief Executive Officer and Chairman, and will bring appropriate judgement to matters falling both within his scope as Chairman and as an executive with the benefit of his long standing knowledge of, and experience in, the Mobilicom business.
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.	Complies	The Company's induction program provides incoming Directors with information that will enable them to carry out their duties in the best interests of the Company. New Directors are encouraged to spend time with the Management team and receive information packages and documentation pertinent to the role. This includes supporting ongoing education of Directors for the benefit of the Company. Directors are encouraged to attend external director education programs to develop and maintain their skills and knowledge. Members of the Board are also able to take independent professional advice at the expense of the Company.

PRINCIPLE 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.	Complies	The Board has adopted a Code of Conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practice in corporate governance. A copy of the code is available on the Company's website https://mobilicom-ltd.com.au .
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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board; <p>and disclose:</p> <ol style="list-style-type: none"> 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and <p>(b) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Does not comply	<p>Until such time as the size of Mobilicom’s operations and the Board, justifies the establishment of an Audit and Risk Committee, the function of such a Committee will be fulfilled by the Board. The Company shall review this position periodically.</p> <p>The Board will, as a group, give due and regular consideration to all relevant audit and risk matters and will address any issues having regard to the Company’s corporate governance policies and charters.</p>
4.2	<p>The board of a listed entity should, before it approves the entity’s financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the</p>	Complies	<p>The Chief Executive Officer and Director of Finance state in writing to the Board that the Company’s Financial Reports present a true and fair view, in all material respects, of the Company’s financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.</p>

	opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The external Auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions about the conduct of the audit and preparation of the Auditor's Report.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	Complies	The Company has adopted a Communication and Disclosure Policy to ensure it complies with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act 2001. The Company's Communication and Disclosure Policy is available on the Company's website https://mobilicom-ltd.com.au .
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PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's Communication and Disclosure Policy outlines the shareholder communications protocols which the Company has adopted. The Company uses its website (https://mobilicom-ltd.com.au), Annual Report, market disclosures and media announcements to communicate with its shareholders, as well as encourages participation at general meetings.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Company is committed to: <ul style="list-style-type: none"> • ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, ASX releases, general meetings and the Company's website https://mobilicom-ltd.com.au; • actively responding to shareholder's direct enquiries; • complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act in Australia; and • encouraging shareholder participation at general meetings.
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.	Complies	The Board encourages full participation of shareholders at the Company's Annual General Meetings and any General Meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will also be invited to attend the annual general meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the Auditor's report.

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.	Complies	The Company's registrar, Boardroom, provides the option for shareholders to receive and send communications electronically.
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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose the charter of the committee; the members of the committee; and</p> <p>(3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(4) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Does not comply	<p>Until such time as the size of Mobilicom's operations and the Board, justifies the establishment of an Audit and Risk Committee, the function of such a Committee will be fulfilled by the Board. The Company shall review this position periodically.</p> <p>Ultimate responsibility for risk oversight and risk management rests with the Board and risk management issues are considered at Board meetings. The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities.</p> <p>The Board has also received written assurances from the Chief Executive Officer and Director of Finance that to the best of their knowledge and belief:</p> <ul style="list-style-type: none"> • The Company's financial statements present a true and fair view of the Company's financial condition and operational results and comply with relevant accounting standards; and • The risk management and internal compliance and control systems are sound, appropriate and operating effectively and implement the policies adopted by the Board. <p>Management regularly undertake reviews of its risk management procedures to ensure the Company complies with its legal obligations and that the Board, and ultimately shareholders, can take comfort that an appropriate system of checks and balances are in place regarding those areas of the business which present financial or operating risks.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complies	<p>(a) The Board reviews and oversees the operation of systems of risk management to ensure that the significant risks facing the Company are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with.</p> <p>(b) During the period under review individual components of the risk management framework were reviewed by the Board, which recommended further development by management was required for reassessment during the forthcoming financial year.</p>

7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; OR</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.</p>	Complies in part	<p>The Company does not have an internal audit function. The Board works closely with the Management Team to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives. The Board actively encourages the external Auditor to raise internal control issues, and oversees management's timely remediation thereof.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Complies	<p>The Company has identified key risks within the business. In the ordinary course of business, management monitor and manage these risks.</p> <p>Key operational and financial risks are presented to and reviewed by the Board.</p>

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p>	Complies	<p>The Company has a Remuneration and Nomination Committee that currently consist of the following members, Jon Brett (Independent, Non-Executive Director), Campbell McComb (Non-Executive Director), Mark Licciardo (Independent, Non-Executive Director) and Tzvika Friedman (Mobilicom Israel Board Member). The Chairman of the Committee is Jon Brett.</p> <p>Details of the number of Remuneration and Nomination Committee meetings and attendance at those meetings are set out in the Directors' Report.</p> <p>The Remuneration and Nomination Committee has adopted a formal Charter which is available on the Company's website www.mobilicom-ltd.com.au. The Charter sets out the Committee's responsibilities including establishing appropriate remuneration policies and levels for Directors and senior executives, undertaking an annual review of the CEO's performance, regularly reviewing Board structure and membership and overseeing succession planning.</p> <p>Details of the amount of remuneration, and all monetary and non-monetary components, for each of the Key Management Personnel during the period is included in the Directors' Report.</p>
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	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	The details of the remuneration paid to Directors and Officers is included in the Remuneration Report section of the Annual Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Complies	In accordance with Mobilicom's share trading policy, participants in any equity based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in Mobilicom's securities to any other person. A copy of the Policy for dealing in securities is available on the Company's website https://mobilicom-ltd.com.au .

Unless otherwise indicated, MOB's corporate governance practices were in place for the financial year ended 31 December 2019 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website www.mobilicom-ltd.com.au.