

CORPORATE GOVERNANCE STATEMENT

The directors of Webfirm Group Limited have a commitment to maintain long term shareholder value, and recognise the benefits of good corporate governance in achieving this aim.

Having regard to the size and resources available to the company, the company endeavours at all times to comply with the Australian Stock Exchange Corporate Governance Principles and Recommendations ('ASX Principles'). Unless otherwise stated, the company complies with the ASX recommendations.

Principle 1: Lay solid foundations for management and oversight

The company has separate functions for board and senior management. The company has yet to disclose this publicly. The board meet regularly to perform their prescribed functions. The company has a process for evaluating the performance of senior executives. The company has yet to disclose this publicly. The performance of the chief executive officer and senior executives of the company has taken place prior to the date of this report, in accordance with the established process.

Principle 2: Structure the board to add value

The majority of the board are independent directors. Independent directors include Mr Andrew Barlow, Mr Adrian Giles and Mr Adrian Vanzyl. The only non-independent director in Mr David Burden who holds the office of chief executive officer. The chair of the board, Mr Andrew Barlow, is an independent director. The role of chair and chief executive officer are held by different individuals. The company has a board consisting of four directors, and the directors collectively perform the functions of a nomination committee as the directors do not consider that any increase in efficiency or effectiveness would be achieved through the formation of a nomination committee. The directors have access to professional advisors who provide advice and assistance as requested by the directors. The company is yet to implement a process for evaluating the performance of the board, its committees or individual directors.

Principle 3: Promote ethical and responsible decision making

The company has a code of conduct for directors and a code of conduct for employees. The company actively complies with this policy. The company has a policy concerning trading in company securities by directors and employees. The company actively complies with this policy. The board allows individual directors to seek independent professional advice to enable a director to carry out his duties after discussion with the chairman in the first instance. Any necessary advice is obtained at the company's expense and advice obtained is made available to all directors.

Principle 4: Safeguard integrity in financial reporting

The directors collectively perform the functions of an audit committee as the directors do not consider that any increase in efficiency or effectiveness would be achieved through the formation of an audit committee. The directors have access to professional advisors who provide advice and assistance as requested by the directors. The board while collectively performing the functions of an audit committee consists of a majority of independent directors and has at least three members. Compliance with accounting and financial reporting standards and procedures are subject to board review and review by the external auditors. The non-executive directors have direct access to the external auditor and are permitted to make such enquiries of the auditor as they feel are necessary. The external auditor is invited to attend the annual general meeting and make himself or herself available to answer any questions pertaining to the conduct of the audit, the content of the audit report or the financial affairs of the Company.

Principle 5: Make timely and balanced disclosure

The company has a policy of complying with ASX disclosure requirements. The directors and senior management have received education and training on the subject of ASX disclosure requirements. The company actively complies with this policy.

Principle 6: Respect the rights of shareholders

The company has a policy for promoting effective communication with shareholders. The company actively complies with this policy, by way of ASX announcements, letters posted to shareholders, and shareholder presentations.

Principle 7: Recognise and manage risk

Business risks are identified by senior management and brought to the attention of the board if deemed material. The company does not have a formal business risk management plan. In accordance with section 295A of the Corporation Act, the board has received assurance from both the CEO and CFO that a system of risk management and internal control appropriate to the size and nature of the organisation is in place and is operating effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

The directors collectively perform the functions of a remuneration committee as the directors do not consider that any increase in efficiency or effectiveness would be achieved through the formation of a remuneration committee. The directors have access to professional advisors who provide advice and assistance as requested by the directors. The non-executive directors and the executive directors and senior management of the company have clearly distinguishable remuneration structures which are set out in documented service agreements. Full remuneration details for directors and key executives are provided in the director's report and the notes to the annual financial statements in this annual report.