

The Board of Directors of IT&e Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of IT&e Limited on behalf of the shareholders.

IT&e Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations ("the Recommendations"), which are as follows:

- Principle 1. Lay solid foundations for management and oversight
- Principle 2. Structure the board to add value
- Principle 3. Promote ethical and responsible decision making
- Principle 4. Safeguard integrity in financial reporting
- Principle 5. Make timely and balanced disclosure
- Principle 6. Respect the rights of shareholders
- Principle 7. Recognise and manage risk
- Principle 8. Encourage enhanced performance
- Principle 9. Remunerate fairly and responsibly
- Principle 10. Recognise the legitimate interests of stakeholders

IT&e Limited's Corporate Governance practices were in place throughout the year ended 30 June 2008 unless otherwise stated, and were fully compliant with the Recommendations.

For further information on corporate governance policies adopted by IT&e Limited, refer to our website: [www.ite-fs.com./corporategovernance.asp](http://www.ite-fs.com./corporategovernance.asp)

## Board of Directors and its committees

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Company, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

### Structure of the Board

The skills, experience and expertise relevant to the position of director held by each Director in office at the date of the Annual Report is included in the Directors' Report. Directors of IT&e Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment, in accordance with IT&e's policy for determining independence.

In accordance with the definition of independence above, and the materiality thresholds set, the following Directors of IT&e Limited are considered to be independent:

Name	Position
E Bugg	Chairman, Non-executive Director
R. Pickering	Non-executive Director
J.Yuile	Non-executive Director

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
E. Bugg	3 years
S. Yencken	5 years
R. Pickering	2 years
J. Yuile	1 year

## Nominations and Remuneration Committee

The Company's Nominations and Remuneration Committee operated during the period under a Charter.

The role of the Committee concerning nominations of new directors is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the highest standards of governance. The Charter sets out the methodology for doing so.

Membership of the Committee is limited to Non-executive Directors, and as at the date of this report, all committee members are independent Directors other than Mr Yencken. The members of the Nominations and Remuneration Committee at the date of this report are:

E. Bugg (Chairman), S. Yencken, R. Pickering

The role of shareholders in Directors' appointments is recognised in that:

- At each AGM, one third of the Directors longest in office (rounded up to the nearest whole number) must retire, and may offer themselves for re-election by shareholders; and
- There are no agreements between Directors and the Company that fetter or remove the ultimate rights of shareholders, and shareholders alone, to remove Directors from office.

## Audit and Risk Committee

The Board maintained an Audit and Risk Committee during the period. This Committee operated under a Charter. The primary purpose of the Committee is to assist the Board to fulfill its corporate governance and oversight responsibilities in relation to:

- Financial Reporting
- Internal Control Structures
- Risk Management Systems
- External Audit Functions

The Committee must comprise at least three Non-Executive Directors and as at the date of this report, all committee members are independent Directors other than Mr Yencken. The members of the Audit and Risk Committee at the date of this report are:

J. Yuile (Chairperson)  
E. Bugg  
S. Yencken  
R Pickering

In accordance with the Charter the Chairperson is not Chairman of the Board.

The experience and qualifications of the members of the Audit and Risk Committee are set out in the Directors' Report. The Board considers that the members of the Committee have appropriate experience to operate effectively.

## Finance Committee

During the year the Board resolved to constitute a Finance Committee the function of which is to closely monitor the financial operation and controls of the Company and report to the Board on those issues. The members of the Finance Committee at the date of this report are:

J. Yuile (Chairman)  
R Pickering

## Risk management and internal control framework

During the period, the Company operated a risk management and internal control framework that can be described as follows:

### Financial reporting

- Monthly management financial report and annual budgets are given to and analysed by the Board, Finance Committee and Audit and Risk Committee as appropriate;

- Monthly actual results reported against budget and revised forecasts for the year are prepared regularly;
- In addition, the Finance Committee closely monitors the financial operations;
- The Company reports audited financial results to shareholders half-yearly; and
- Procedures are also in place to ensure that price sensitive information is reported to the ASX in accordance with the Continuous Disclosure requirements of the ASX Listing Rules and the Corporations Act 2001.

### Quality and integrity of personnel

- Formal appraisals are conducted at least annually for management and staff;
- The Company has adopted a Code of Conduct for all employees; and
- The Company has written policies and procedures concerning issues such as health and safety in the workplace, harassment and equal opportunity.

### Investment appraisal

The Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, and levels of authority and due diligence requirements where businesses are being acquired or divested.

### Delegation

The Board has developed a Delegations Manual covering delegated authorities. The manual outlines approval limits for various categories of authority including the commitment of expenditure. Approval for commitments outside of the authorities stated is required, and the manual sets out what type of approval is required for the different types of commitment.

### CEO/CFO Sign Off

The CEO/CFO has provided the Board with a statement regarding the integrity of the 2008 full year financial statements. This sign off is based on the existence of a robust and effective financial statement close process which ensures that the resultant financial statements comply with accounting standards and provide a true and fair view of the company's financial performance and position.

The CEO/CFO has also provided sign-off on the risk management and internal compliance and controls in place throughout the period and the effectiveness of such controls.