

RHIPE LIMITED

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement (**Statement**) outlines the main corporate governance practices in place for rhipe Limited (**Company** or **rhipe**) and addresses the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**).

The corporate governance policies and practices described were in place throughout the financial year ended 30 June 2019 (**FY19** or **2019 Financial Year**), or as at the date of this report where indicated.

All references to the Company's website are to www.rhipe.com

Compliance with the ASX Recommendations is not mandatory. However, this Statement discloses the extent to which the Company has followed the ASX Recommendations. This Statement is current as at 30 June 2019 and has been approved by the board of the Company (**Board**).

Board Composition and Skills

The Board strives to ensure it is comprised of directors with a blend of skills, experience and attributes appropriate for the Company and its business. The Board developed and adopted a skills matrix in March 2015 which is reviewed and updated annually to reflect board composition changes and requirements for FY19. A copy of the current Board skills matrix is available on the Company's website.

Director Independence

The Board has reviewed the position and associations of each of the seven Directors in office and has determined that six of the Directors are independent, representing a majority of the Board. In making this determination the Board has had regard to the independence criteria in the ASX Recommendations and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the independence of the other Directors, as appropriate.

The Company has disclosed the full details of Directors in the 2019 Directors' Report.

The Board consists of the following Directors:

| Name | Director Since | Independent | Executive/Non-Executive |
|--------------------------------------|----------------|-------------|-------------------------|
| Mike Hill (Chairman)* (retired) | 2014 | ✓ | Non-Executive |
| Gary Cox (Chairman)** | 2019 | ✓ | Non-Executive |
| Dominic O'Hanlon (Managing Director) | 2015 | ☒ | Executive |
| Olivier Dispas** | 2019 | ✓ | Non-Executive |
| Dawn Edmonds*** | 2014 | ✓ | Non-Executive |
| Inese Kingsmill** | 2019 | ✓ | Non-Executive |

| Name | Director Since | Independent | Executive/Non-Executive |
|------------------------------------|----------------|-------------|-------------------------|
| Mark Pierce | 2014 | ✓ | Non-Executive |
| <i>Laurence Sellers* (retired)</i> | 2014 | ✓ | <i>Non-Executive</i> |
| Michael Tierney | 2017 | ✓ | Non-Executive |

Note 1: Mr Hill retired as a non-executive director on 26 March 2019 and Mr Sellers retired as a non-executive director on 08 November 2018.

Note 2: Mr Cox, Mr Dispas and Ms Kingsmill were appointed as non-executive directors in 2019.

Note 3: Ms Edmonds resigned from her role as Chief Operating Officer on 1 January 2017 and is therefore, technically determined to not be an Independent Director until three years after cessation of her employment with the Company. The Board has reviewed these criteria and strongly believes Ms Edmonds can provide an independent view to all board matters and therefore, declared her an independent director.

Independence of the Chair

The Chairman, Mr Gary Cox, is a Non-Executive Director. The Board has determined, that Mr Cox is deemed an independent Director and is considered by the other Directors to be the most appropriate Director to be Chairman of the Board, due to his experience in the industry.

Separate people carry out the duties of Chairman and Managing Director.

Roles and Responsibilities of the Board

The Board is accountable to securityholders for the management of the Company's business and affairs and as such is responsible for the overall strategy, governance and performance of the Company. To clarify the roles and responsibilities of Directors and management, and to assist the Board in discharging its responsibilities, the Company has established a governance framework, which sets out the functions reserved to the Board and provides for the delegation of functions to Board committees and to senior management.

The Board is responsible for the corporate governance of the Company. The Board assumes the following responsibilities:

- a) developing initiatives for profit and asset growth;
- b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- c) acting on behalf of, and being accountable to, the securityholders; and
- d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

Director Induction and Professional Development

Upon appointment, each new Director of the Company participates in an induction program. This includes meeting with members of the existing Board, Company Secretary, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.

To achieve continuing improvement in the Board's performance, Directors are also encouraged to undergo professional development and be involved with relevant industry and business organisations.

Appointment and Re-Election of Directors

When considering the appointment of Directors to the Board, a formal process is undertaken by the Remuneration and Nomination Committee to identify various candidates, with interviews held and appropriate background checks carried out.

Before candidates are selected and recommended to the Board, the current skillset of Directors is considered to ensure the candidates complement the existing Board and add to the further growth of the Company. Candidates are required to disclose their other commitments and confirm they can dedicate enough time to their duties.

The Board considers the candidates and their experience and skillsets carefully and then determines the best fit for the present and future needs of the Company.

In addition, the Board considers and formally resolves to support the election or re-election of Directors to securityholders at general meetings/annual general meetings.

The Company provides securityholders with comprehensive information on new Directors, in the relevant Notice of Meeting, to assist them to make an informed decision on all Directors standing for election or re-election. Directors are re-elected in accordance with the Company Constitution and the ASX Listing Rules.

Written Agreements with Directors and Senior Managers

Non-Executive Directors are appointed pursuant to formal letters of appointment which, alongside other key information, set out the key terms and conditions of their appointment, the Board's expectations in relation to the performance of the Director, procedures for dealing with a Director's potential conflict of interest and the disclosure obligations of the Director, together with the details of the Director's remuneration.

All senior executives are issued employment contracts prior to their engagement with the Company, with appropriate performance criteria outlined.

Delegated Authority of the Board

The Board has delegated specific authorities to the Chairman and to its various Committees. Subject to these delegated matters, the Chairman is authorised to exercise all the powers of the Directors, except with respect to the following:

- a) approval of major elements of strategy including any significant change in the direction of that strategy;
- b) approvals above delegated levels of credit limits, risk exposure, market risk limits and loans and encumbrances;
- c) capital expenditure in excess of delegated levels of expenditure outside the ordinary course of business;
- d) certain remuneration matters including material changes to remuneration policies and specific remuneration recommendations relating to the Board members and other executive officers of the Company;
- e) adoption of the Company's annual budget;
- f) approval of the interim and final accounts and related reports to the ASX;
- g) specific matters in relation to continuous disclosure as defined in the Continuous Disclosure Policy;
- h) any proposal to issue securities of the Company (except under a program previously approved by the Board); and
- i) other matters as the Board may determine from time to time.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis.

The Company intends to regularly review the balance of responsibilities between the Board and management to ensure that the division of functions remains appropriate to the needs of the Company.

Board Committees

All directors are invited to attend meetings of the Committees of which they are not members.

Details of Committee membership and the number of times the Board and Committee met throughout the financial year and the individual attendances of Directors at those meetings, are listed as per below:

| Director | Board Meetings | | Audit Committee | | Remuneration Committee | | Risk Committee | |
|---------------------|---------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Mike Hill* (Chair) | 6 | 5 | 2 | 2 | 3 | 1 | | |
| Dominic O'Hanlon | 11 | 11 | | | | | | |
| Dawn Edmonds | 11 | 11 | | | 3 | 3 | 2 | 2 |
| Laurence Sellers** | 4 | 3 | | | 1 | 1 | | |
| Mark Pierce | 11 | 11 | 2 | 2 | | | 2 | 2 |
| Michael Tierney | 11 | 9 | 2 | 2 | 3 | 3 | | |
| Gary Cox*** (Chair) | 4 | 4 | | | | | | |
| Inese Kingsmill**** | 4 | 4 | | | | | 1 | 1 |
| Olivier Dispas**** | 4 | 3 | | | | | | |

* retired from the board on 26 March 2019

** retired from the board on 08 November 2018

*** appointed to the board on 26 March 2019

**** appointed to the board on 15 April 2019

Remuneration and Nomination Committee

The Company has a Remuneration and Nomination Committee which has three members, all of whom are independent directors. The Company has disclosed the details of the members of the committee in the 2019 Directors' Report. The Remuneration and Nomination Committee is chaired by Dawn Edmonds, an independent director.

A copy of the Remuneration and Nomination Committee Charter was adopted by the Board on 25 June 2015, is reviewed annually and is available on the Company's website www.rhipe.com/investors

In the 2019 Financial Year, the Remuneration and Nomination Committee met three times.

Audit and Risk Committee

The Company has a separately constituted Audit Committee which consists of three members, all of whom are independent directors and non-executive directors. The Company has disclosed the relevant qualifications and experience of the members of the committee in the 2019 Directors' Report. The Audit Committee is chaired by Mark Pierce, an independent director.

A copy of the Audit Committee Charter is available on the Company's website. This charter outlines the

key areas of responsibility for the Audit Committee, outlining its responsibility for oversight of the quality and integrity of the accounting, auditing, financial reporting and operational risks of the company. The Audit Committee Charter was adopted by the Board with effect from 30 June 2015 and is reviewed annually.

The Audit Committee met a total of two times during the 2019 Financial Year.

The Company does not have an internal audit function as the Board believes that the size and nature of the Company's operations do not warrant a separate internal audit function. The Audit Committee monitors the need for an internal audit function having regard to the size, geographic locations and complexity of the Company's operations. The Company's management periodically undertakes an internal review of financial systems and processes and when systems are developed. The Audit Committee also considers reviews of specific areas and monitors the implementation of system improvements.

The Company has a separately constituted Risk Committee which consists of at least three members, all of whom are independent directors and the committee is chaired by an independent director. The Company has disclosed the details of the members of the committee in the 2019 Directors' Report.

A copy of the Risk Committee Charter is available on the Company's website. The Risk Committee Charter was adopted with effect from 30 June 2015.

The Risk Committee met a total of two times during the 2019 Financial Year.

The Company Secretary

The Company Secretary is appointed by, and responsible to, the Board through the Chairman. The Chairman and the Company Secretary co-ordinate the Board agenda. All Directors have access to the Company Secretary.

Board Evaluation

The board is committed to enhancing its effectiveness through performance management and review. The Board review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and provide recommendations for additional improvement processes.

The performance of the Board as a group and of the Directors individually, is assessed each year. All Directors seeking re-election at an annual general meeting are subject to a formal performance appraisal to determine whether the Board (absenting themselves) recommends their re-election to securityholders.

In the future, the Board will conduct a formal, structured evaluation that involves each Director completing a confidential questionnaire covering the role, composition, processes and the carrying out of its responsibilities. The results of the questionnaire and an analysis of these results will be reported to the Board.

During the recruitment process of new directors, an informal board and director evaluation was conducted to enhance the placement of new Directors and therefore, the Company did not undertake a formal performance review during the reporting period. This process will be undertaken in the first half of the next reporting period.

Senior Executives

The Board and senior management team regularly review the performance of its senior executives and address any issues that may emerge.

The Company uses a 'balanced scorecard' approach to manage and measure the performance of the business and individuals within it. During the reporting period the Company had formalised performance plans in place for each of the senior executives to be evaluated against. Some but not all formal performance reviews of senior executives were completed during the period.

Remuneration

The remuneration of Non-Executive Directors is structured separately from that of the Managing Director and senior executives.

Information on remuneration for Non-executive Directors and Key Management Personnel is in the Remuneration Report in the Company's 2019 Annual Report.

Risk Management Framework

The Board, at least annually, reviews and approves the risk management and oversight policies of the Company. However, the Board does not consider that disclosure of when these reviews takes place is necessary. Such a review took place in the 2019 Financial Year.

All material risks are announced to the market, in accordance with the requirements of the ASX Listing Rules and included in the Company's 2019 Annual Report.

Declarations from the Chief Executive Officer and Chief Financial Officer

The Company has a requirement that the CEO and CFO provide written assurance to the Board, prior to approval of the Company's financial statements for each financial period, that in their opinion, the Company's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of rhipe's financial position and performance, and that this opinion has been formed on the basis of a sound system of risk management and internal controls that operate effectively.

External Auditor

The Company's external auditor is required to attend the Company's Annual General Meeting and is available to answer questions from securityholders about the conduct of the audit and the preparation and content of the external auditor's report; accounting policies adopted by rhipe in relation to the preparation of the financial statements; and independence of the auditor in relation to the conduct of the audit.

Code of Conduct

The Board is committed to the establishment and maintenance of appropriate ethical standards in order to instil confidence in both clients and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business.

A copy of the Code of Conduct is available on the Company's website. The Code of Conduct was adopted by the Company on 25 June 2015 and will be reviewed again in the next financial year.

Continuous Disclosure

The Company has adopted a Continuous Disclosure Policy, which is available on the Company's website. It was adopted on 25 June 2015 and is reviewed annually.

The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well- informed market in its securities and compliance with the continuous disclosure requirements imposed by law including the Corporations Act and the ASX Listing Rules.

The overarching principle of this policy is governed by Listing Rule 3.1, which requires the Company to immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of RHP quoted securities, provided the information does not fall within the exception to disclosure under the Listing Rules.

Securityholder Communications/ Investor Relations

Rhipe is committed to maintaining direct, open and timely communications with all securityholders and provides information on the Company and its governance via the Company's website, which is updated regularly.

The Company has instituted an investor relations program to actively engage with securityholders. The Company conducts regular institutional investor roadshows and the CEO, CFO and (where required) members of the Board are available to respond to securityholder queries. The program permits securityholders an opportunity to gain a greater understanding of the Company's business and financial performance.

The Company has adopted a formal Shareholders' Communications Policy to facilitate and encourage participation at meetings of security holders.

A copy of the Shareholders' Communication Policy is available on the Company's website. The Shareholders' Communication Policy was adopted on 25 June 2015 and will be reviewed again in the next financial year.

The Company encourages securityholders to register for receipt of announcements and updates electronically.

Securities Trading Policy

The Company has a Securities Trading Policy that prohibits directors, officers and employees from entering into transactions or arrangements which limits the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

A copy of the Company's Securities Trading Policy is available on the Company's website and will be reviewed again in the next financial year.

Diversity

The Company adopted a Diversity Policy on 25 June 2015 which sets out the measurable objectives for achieving gender diversity. A copy of the Diversity Policy is available on the Company's website and is reviewed annually.

The Board is committed to annually assessing both the Policy's objectives and its progress towards achieving the measurable objectives.

The Company's workforce gender demographics for the year ended 30 June 2019 are as follows:

1. The proportion of female directors: 29%.
2. The proportion of female employees who are senior executives: 13%, a decrease on the last financial year due to an increase in direct reports to the CEO during the reporting period.
3. The proportion of female employees in the entire organisation: 37%, an increase on the last financial year.

For the purposes of the Diversity Policy, 'senior management' means an employee who directly reports to the CEO or the Board.

Approved by the Board on 16 August 2019.