

Corporate governance statement

This document discloses the extent to which Rision Limited ACN 090 671 819 (**Company**) has followed the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (**ASX Recommendations**) during the relevant part of the reporting period.

This document is current as at 29 September 2017 and has been approved by the board of the Company.

| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
|---|-----------------------|---|
| Principle 1: Lay solid foundations for management and oversight | | |
| <p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p> | <p>Yes</p> <p>Yes</p> | <p>Refer to Sections 2 and 3 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p> | <p>Yes</p> <p>Yes</p> | <p>Refer to Section 3 of the Company’s Remuneration and Nomination Committee Charter for further detail which is located on the Company’s website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> <p>Information is included in the Company’s Notice of Meetings to shareholders.</p> |
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | <p>Yes</p> | <p>Each director and senior executive is required to enter into a written agreement with the Company which sets out the terms of their appointment. Details of executive contracts in place are also detailed in the Company’s Annual Remuneration Report in the 2017 Annual Report</p> |
| <p>Recommendation 1.4</p> <p>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.</p> | <p>Yes</p> | <p>Refer to Section 6 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |

| <p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) 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:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity’s diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) 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>(B) the entity’s “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act 2012.</p> | <p>No</p> <p>No</p> <p>No</p> <p>Yes</p> <p>N/A</p> | <p>The Company has not adopted an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in size of the organisation, the policy will specifically deal with the objectives for achieving diversity.</p> <p>The Company’s corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.</p> <p>Refer to Section 4 of the Company’s Code of Conduct Policy for further detail which is located on the Company’s website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> <p>The proportion of women on the board, women in senior executive positions and women employees in the whole organisation as at reporting date was as follows:</p> <table border="1" data-bbox="1317 817 1962 1008"> <thead> <tr> <th></th> <th></th> <th>Senior executive positions</th> <th>Whole organisation</th> </tr> </thead> <tbody> <tr> <td>Gender</td> <td>Board</td> <td></td> <td></td> </tr> <tr> <td>No of women</td> <td>0</td> <td>1</td> <td>2</td> </tr> <tr> <td>% women</td> <td>0%</td> <td>12.5%</td> <td>25%</td> </tr> </tbody> </table> | | | Senior executive positions | Whole organisation | Gender | Board | | | No of women | 0 | 1 | 2 | % women | 0% | 12.5% | 25% |
|--|---|---|--------------------|--|----------------------------|--------------------|--------|-------|--|--|-------------|---|---|---|---------|----|-------|-----|
| | | Senior executive positions | Whole organisation | | | | | | | | | | | | | | | |
| Gender | Board | | | | | | | | | | | | | | | | | |
| No of women | 0 | 1 | 2 | | | | | | | | | | | | | | | |
| % women | 0% | 12.5% | 25% | | | | | | | | | | | | | | | |
| <p>Recommendation 1.6</p> <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> | <p>Yes</p> <p>Yes</p> | <p>Refer to Section 10 of the Company’s Board Charter for further detail which is located on the Company’s website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> <p>Performance evaluations for individual directors, the Board and the performance of its committees are generally conducted during the reporting period ending 30 June 2017 however due to recent Board changes a review was not undertaken. This review will be completed annually going forward.</p> | | | | | | | | | | | | | | | | |

| <p>Recommendation 1.7</p> <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> | <p>Yes</p> <p>Yes</p> | <p>Refer to Section 2 of the Company's Board Charter for further detail which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> <p>Performance evaluations for each of the Company's senior executives were not conducted during the reporting period ending 30 June 2017 due to the recent Board changes as described above. This review will be completed annually going forward.</p> |
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| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
| Principle 2: Structure the board to add value | | |
| <p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p> | <p>No</p> <p>Yes</p> | <p>Given the size of Company and its Board, there is no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the determining the need for, screening and appointment of new Directors.</p> <p>Refer to Section 3 of the Company's Remuneration and Nomination Committee Charter for further detail which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> <p>The Company intends to disclose the matters contemplated by Recommendation 2.1(b) in future Annual Reports.</p> |
| <p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>No</p> | <p>Given the size of the Board, a formal board skills matrix has not been adopted. However, the current Board of Directors bring an expansive range of relevant industry experience, legal and other skills and experience in order to meet the Company's objectives.</p> <p>Details of the skills, expertise and experience of each director are provided in the Company's Director's Report in the 2017 Annual Report.</p> |

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| | | <p>Refer to Section 4 of the Company's Board Governance Charter for further detail which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |
| <p>Recommendation 2.3</p> <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 Recommendation (3rd Edition), 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 and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>Yes</p> <p>N/A</p> <p>Yes</p> | <p>The Board has three independent Directors. Mr Alan Hoffman Non-Executive Chairman, Mr Peter Francis Non-Executive Director and Mr Paul Guerra Non-Executive Director.</p> <p>The Board considers each non-executive director to be independent having regard to the indicia in Box 2.3 in the ASX Recommendations. The Board has considered the holdings of shares in the Company by these non-executive directors and is of the opinion that their respective interests in shares would not materially interfere with, or could be reasonably perceived to interfere with, the independent exercise of their judgement in their position as a Director. The Board also considers that they are otherwise free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgement, and that each of these Directors is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.</p> <p>The lengths of service are as follows:</p> <ul style="list-style-type: none"> • Mr Alan Hoffman (since May 2017) • Mr Peter Francis (since May 2017) • Mr Paul Guerra (since August 2017) <p>On 1 August 2017, Mr Robert Day retired from the Board. Robert Day was a Non-Executive Director and substantial shareholder of the Company and on this basis, was not considered independent. Mr Robert Day was replaced with Mr Paul Guerra. Mr Paul Guerra's appointment as Non-Executive Director now ensures the Board is considered independent.</p> <p>A complete listing of the Board of Directors for the year ended 30 June 2017, is provided in the Company's Director's Report in the Company's 2017 Annual Report.</p> |
| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | <p>Yes</p> | <p>As noted above in Recommendation 2.3, the Board comprises of all non-executive independent directors. The Board recognises that it is desirable for</p> |

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| | | the majority of the Board to be independent directors. The Board also considers that the current Board composition reflects an appropriate balance of skills, expertise and experience to achieve its objective of creating and delivering long-term shareholder value. |
| Recommendation 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 Chairman, Mr Alan Hoffman is considered an independent Non-Executive Director. The roles of Chairman and Chief Executive Officer are exercised by different individuals, being Mr Alan Hoffman and Ms Megan Boston respectively. |
| Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively. | Yes | The Company reviews its induction program for new Directors annually and ensures that ongoing training is available to Directors. Each Director has the right to access independent professional advice in order to properly perform their duties. Refer to Section 9 and 11 of the Company’s Board Charter and Section 2 of the Company’s Remuneration and Nomination Committee Charter for further detail which is located on the Company’s website at the following link: https://www.rision.com/investor-4/#corporate-governance |
| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
| <i>Principle 3: Act ethically and responsibly</i> | | |
| Recommendation 3.1 A listed entity should: <ul style="list-style-type: none"> (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 | Refer to the Company’s Code of Conduct further detail which is located on the Company’s website at the following link: https://www.rision.com/investor-4/#corporate-governance |

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| <p>Recommendation 4.3</p> <p>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.</p> | <p>Yes</p> | <p>The Company's external auditor attends the Company's Annual General Meeting and is available to answer questions from shareholders that are relevant to the audit.</p> |
| <p>PRINCIPLES AND RECOMMENDATIONS</p> | <p>COMPLY (YES/NO)</p> | <p>EXPLANATION</p> |
| <p><i>Principle 5: Make timely and balanced disclosure</i></p> | | |
| <p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>Yes</p> <p>Yes</p> | <p>Refer to the Company's Market Disclosure Policy for further detail which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |
| <p>PRINCIPLES AND RECOMMENDATIONS</p> | <p>COMPLY (YES/NO)</p> | <p>EXPLANATION</p> |
| <p><i>Principle 6: Respect the rights of security holders</i></p> | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | <p>Yes</p> | <p>Refer to the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |
| <p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> | <p>Yes</p> | <p>The Company provides shareholders with information through the Company's share registry, ASX platform, shareholder meetings, the Company's website and issuing media releases.</p> <p>The Company provides a facility for written communications by shareholders through the Company's website and through personnel based at the Company's office.</p> |
| <p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> | <p>Yes</p> | <p>This is disclosed in the Company's Notice of Meetings when dispatched to shareholders.</p> <p>Shareholders are entitled to vote on significant matters impacting the business, which include the election and remuneration of directors and changes to the constitution. The Board actively encourages shareholders to attend and participate at General Meetings of the Company, to lodge questions to be responded to by the Board and/or the CEO and to appoint proxies.</p> |

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| | | <p>Recommendation 7.2 in future Annual Reports.</p> <p>Refer to Section 2 and 3 of the Company's Board Charter for further detail which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |
| <p>Recommendation 7.3</p> <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 evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>No</p> <p>Yes</p> | <p>Given the current size of the Company the Board directly oversees relevant risk areas as a whole and not through a separate internal audit function.</p> <p>For further detail refer to Section 2 and 3 of the Company's Board Charter for further detail which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> |
| <p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>Yes</p> | <p>The Board is not aware of any material exposure to economic, environmental or social sustainability risk to which the Company may be subject.</p> <p>The Company details the associated risks in its Director's Report in the Company's 2017 Annual Report.</p> |
| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
| <i>Principle 8: Remunerate fairly and responsibly</i> | | |
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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 remuneration committee, disclose that fact and the</p> | <p>No</p> <p>Yes</p> | <p>Given the size of the Company and its Board, the Board will fulfil the roles and responsibilities in relation to the remuneration of directors and senior executives and review of policies applicable to the Company.</p> <p>For further detail refer to Section 4 of the Company's Nomination and Remuneration Committee Charter which is located on the Company's website at the following link:</p> <p>https://www.rision.com/investor-4/#corporate-governance</p> <p>The Board seeks to retain professional services as it requires, at reasonable market rates, and seeks external advice and market comparisons where</p> |

