

## CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement sets out the compliance by RightCrowd Limited ACN 108 411 427 (**Company**) with the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**) and is current as at 28 September 2018. The ASX Principles and Recommendations are not mandatory; however the Company is required to provide this statement disclosing the extent to which it has followed the recommendations contained in the ASX Principles and Recommendations.

ASX Principles and Recommendations	Comply (Yes/No)	Commentary
<b>1. Lay solid foundations for management and oversight</b>		
<p>1.1 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>The Board is accountable to shareholders for the performance of the Company. The Board operates under the Board Charter that details its functions, responsibilities and powers and those delegated to management. Under the Charter the Board is responsible for:</p> <ul style="list-style-type: none"> <li>• providing leadership and setting the strategic direction of the Company;</li> <li>• reviewing how the Company's strategic environment is changing, key risks and opportunities that are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;</li> <li>• overseeing management's implementation of the Company's strategic objectives and its performance generally;</li> <li>• ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained</li> <li>• appointing and removing, where necessary, the chair, senior executives, and the Company Secretary;</li> <li>• evaluating, approving and monitoring the Company's annual budgets and business plans;</li> <li>• approving and monitoring the progress of major capital expenditure;</li> <li>• determining the Company's dividend policy (if any) and oversee the financing of dividend payments (if any);</li> <li>• monitoring the Company's accounting and corporate reporting systems, including the external audit;</li> <li>• monitoring the Company's disclosure processes;</li> <li>• ensuring the Company has an appropriate risk management framework;</li> <li>• setting the risk appetite within which the Board expects management to operate;</li> <li>• monitoring the effectiveness of the Company's governance policies;</li> <li>• monitoring and managing the performance and remuneration of senior executives and key staff;</li> <li>• ensuring that appropriate resources are available to the senior executives;</li> <li>• the establishment and maintenance of appropriate ethical standards;</li> <li>• evaluating and, where appropriate, adopting with or without modification the Recommendations;</li> <li>• approving and managing succession plans for senior executives and other key management positions that may be identified from time to time;</li> <li>• reviewing and monitoring any related party transactions; and</li> <li>• monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.</li> </ul>

		The Board delegates responsibility for the day to day operations and administration of the Company to the Managing Director and other senior executives.
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	Yes	The Board Charter sets out the nomination responsibilities of the Board. The Company undertakes appropriate checks before appointing a person as a Director of the Company.
(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.	Yes	When the election of Directors is put to security holders at a meeting of members, all material information relevant to the vote are incorporated in the meeting documents, which includes their relevant professional history and qualifications.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	All non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of the Director.  All senior executives execute a contract of employment with the Company, setting out the terms of their employment.
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.	Yes	The Company Secretary position is directly accountable to the Board on all matters to do with the proper functioning of the Board.
1.5 A listed entity should:		
(a) have a diversity policy which includes the requirement 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	Yes	The Company has a compliant Diversity Policy.  The Board has adopted a diversity policy to ensure that the Company encourages a culture that recognises and values diversity, treating all employees and consultants with fairness and respect. The Company is an equal opportunity employer and welcomes people from all backgrounds.  To the extent practicable and appropriate, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.  The Board has not established measurable targets for achieving gender diversity across the Company. The Board has chosen to defer the

<p>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 across the whole organisation; or</p> <p>(2) if the entity is a "relative employer" under the Workplace Gender Equality Act, the entity's most recent Gender Equality Indicators as defined and published under that Act.</p>	<p>Yes</p> <p>No</p>	<p>establishment of the measurable targets until the Company is of a sufficient size and structure to necessitate these targets.</p> <p>The Board is committed to actively supporting and managing diversity as a means of enhancing the Company's performance by recognizing and utilising the contribution of diverse skills and talent from its directors, officers, employees and consultants.</p> <p>The Board conducts all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.</p> <p>As at the date of this report, the Company has the following proportion of women appointed:</p> <ul style="list-style-type: none"> <li>• to the Board – 0% (nil out of three)</li> <li>• to senior management – 14% (one out of seven)</li> <li>• to the organisation as a whole (excluding the Board and senior management) – 38% (thirty three out of eighty seven)</li> </ul> <p>A copy of the diversity policy is available at:</p> <p><a href="https://www.rightcrowd.com/media/1099/diversity-policy.pdf">https://www.rightcrowd.com/media/1099/diversity-policy.pdf</a></p>
<p>1.6 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</p>	<p>Yes</p> <p>Yes</p>	<p>An informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisors, as necessary, has been committed to in order to properly evaluate the performance of the Board, its sub-committees, and individual Directors.</p> <p>As the Company was listed in September 2017, an annual evaluation is yet to occur and is scheduled to occur in the first half of FY19.</p>



<p>board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> <p>(b) If it does not have a remuneration 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>2.2 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>	<p>Yes</p>	<p>The Company maintains a Board skills matrix which sets out the mix of skills, experience and expertise the Board currently has and is looking to achieve in its membership.</p> <p><a href="https://www.rightcrowd.com/about-us/investor-relations/">https://www.rightcrowd.com/about-us/investor-relations/</a></p>
<p>2.3 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 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</p>	<p>Yes</p>	<p>The Company periodically discloses this information as required from time to time.</p> <p>The Board currently has one independent Director, Rob Baker. Both Peter Hill and Scott Goninan hold a large number of ordinary shares in the Company.</p> <p>The Board consists of three directors:</p> <p>Scott Goninan – appointed 6 August 2017; Rob Baker – appointed 6 August 2017; and</p> <p>Peter Hill – Founding director (18 March 2004).</p> <p>Peter Hill is also a substantial shareholder of the Company. However, he is also the founder of the Company and holds a great deal of know-how with respect to the business. The Board does not believe that there is reason to believe that Peter Hill is not able to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.</p>



<p>whom are independent directors; and</p>		<p>Audit and Risk Management Committee is made up of three directors (both executive and non-executive), one of whom is independent. The Board will reconsider the policy framework each year as the Company and the Board grows.</p>
<p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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>(b) 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>	<p>Yes</p>	<p>The full Charter is located at <a href="https://www.rightcrowd.com/media/1104/audit-and-risk-management-committee-charter.pdf">https://www.rightcrowd.com/media/1104/audit-and-risk-management-committee-charter.pdf</a></p> <p>The current Committee is made up of:</p> <p>(c) Scott Goninan – Who has 26 years’ experience as the original founder and Managing Director and CEO of the Durachrome Group. He is well practised in delivering strategic direction and implementation of business operations.</p> <p>(d) Peter Hill – Peter is the founder of the Company. He is responsible for the Company’s global business strategy and continues to drive partnerships with billion-dollar global physical security vendors, at both corporate and technical levels.</p> <p>(e) Rob Baker – Rob has over a decade of board level experience. His main expertise and practice area has been external audit, internal audit, financial reporting, internal control assessments and accounting advice. His business acumen has resulted in clients (including ASX 100 companies) also engaging him to provide business and due diligence services. Rob is currently and Chairman of an ASX100 Company Audit and Risk Committee and two Not for Profit Companies.</p>

<p>4.2 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 opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Yes</p>	<p>Due to the size of the Company, the Board signs declarations in accordance with section 295A of the Corporations Act, following receipt of the declaration from the Managing Director and CFO. The declaration is made and is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial work.</p>
<p>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.</p>	<p>Yes</p>	<p>Pursuant to the Shareholder Communication Policy, the Company encourages its external auditor to attend AGMs and be available to answer questions from security holders.</p>
<p><b>5. Make Timely and Balanced Disclosure</b></p>		
<p>5.1 A listed entity should: (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.</p>	<p>Yes</p> <p>Yes</p>	<p>The Continuous Disclosure Policy sets out the key obligations of the Directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The Policy also provides procedures for internal notification and external disclosure, as well as procedures for promoting understanding of compliance with the disclosure requirements for monitoring compliance. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.</p> <p>The Continuous Disclosure Policy can be found at: <a href="https://www.rightcrowd.com/media/1098/continuous-disclosure-policy.pdf">https://www.rightcrowd.com/media/1098/continuous-disclosure-policy.pdf</a></p>
<p><b>6. Respect the Rights of Security Holders</b></p>		
<p>6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Yes</p>	<p>The Company's website: <a href="https://rightcrowd.com/">https://rightcrowd.com/</a> contains all relevant information about the Company.</p>

<p>6.2 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 Shareholder Communications Strategy sets out the Company's aims and practices in respect of communicating with both current and prospective shareholders.</p> <p>The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders through:</p> <ul style="list-style-type: none"> <li>• the Annual Report delivered by post and which is also placed on the Company's website;</li> <li>• the half yearly report which is placed on the Company's website;</li> <li>• disclosures and announcements made to the Australian Securities Exchange (ASX) copies of which are placed on the Company's website;</li> <li>• notices and explanatory memoranda of Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) copies of which are placed on the Company's website; the company's external auditor being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.</li> </ul> <p>Shareholders can register with the Company's Registrar to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the annual and half yearly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Whenever possible, the Company will provide shareholders with the option to receive communications from and send communications to the Company electronically.</p>
<p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings.</p>	<p>Yes</p>	<p>Information available on the Company's website will provide a means for investors to make enquires directly to the Company.</p>
<p>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.</p>	<p>Yes</p>	<p>Shareholders can register with the Company's Registry to receive email notifications</p>

7. Recognise and Manage Risk		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> <li>3. and disclose:</li> <li>4. the charter of the committee;</li> <li>5. the members of the committee; and</li> <li>6. 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</li> </ol> <p>(b) 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>	<p>No</p>	<p>The Company does not have a separate Risk Committee, but an Audit and Risk Management Committee.</p> <p>The composition of the Audit and Risk Management Committee does not currently comply with the Recommendations, as there are not enough non-executive board members appointed to the Board at this stage. As such, the Audit and Risk Management Committee is made up of three directors (both executive and non-executive), one of whom is independent. The Board will reconsider the policy framework each year as the Company and the Board grows.</p> <p>The Committee's responsibilities with respect to risk management and internal control are:</p> <ol style="list-style-type: none"> <li>(a) to ensure that the Company has implemented a sound risk management framework and appropriate internal control systems;</li> <li>(b) to review at least annually the effectiveness of the Company's risk management and internal control systems and make relevant recommendations to the Board;</li> <li>(c) to monitor compliance with regulatory requirements under the ASX Listing Rules, the <i>Corporations Act 2001</i> (Cth) and any other relevant guidelines;</li> <li>(d) to monitor the Company's exposure to economic, environmental and social sustainability risks, and make recommendations to the Board as to how those risks should be managed;</li> <li>(e) to make recommendations to the Board in relation to the Company's insurance program, having regard to the Company's business and the insurable risks associated with it; and</li> <li>(f) any other responsibilities as determined by the Committee or the Board from time to time.</li> </ol> <p>The Charter of the Committee is located at:</p> <p><a href="https://www.rightcrowd.com/media/1104/audit-and-risk-management-committee-charter.pdf">https://www.rightcrowd.com/media/1104/audit-and-risk-management-committee-charter.pdf</a></p>
<p>7.2 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>	<p>No</p>	<p>The Committee will review the Audit and Risk Management Committee Charter at least annually to ensure that it accords with best practise and remains consistent with the Committee's authority, objectives and responsibilities.</p> <p>The Board and management are continuing to review and identify the risks within the Company and to establish a risk framework appropriate to the Company and the industry in which it operates.</p>

<p>7.3 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>Yes</p>	<p>The Company does not have an internal audit function.</p> <p>The Audit and Risk Management Committee is responsible for reviewing at least annually the effectiveness of the Company's risk management and internal control systems and make relevant recommendations to the Board.</p> <p>In discharging its duties, the Committee has unrestricted access to all staff and to the Company's auditors, both internal and external, to seek information and explanations from them. The Committee proactively makes recommendations to the Board in relation to the outputs of the financial reporting and disclosure processes and with respect to risk management and internal control.</p>
<p>7.4 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>	<p>Yes</p>	<p>The Company is faced with a number of economic, environmental and social sustainability risks as disclosed in it's Prospectus dated 24 August 2017 which can be found at:</p> <p><a href="https://www.rightcrowd.com/media/1124/170824_rcw_replacement-prospectus_v01.pdf">https://www.rightcrowd.com/media/1124/170824_rcw_replacement-prospectus_v01.pdf</a></p> <p>The Audit and Risk Management Committee reviews and manages these risks on a regular basis.</p>

## 8. Remunerate Fairly and Responsibly

<p>8.1 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, 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</p>	<p>No</p>	<p>The Company does not have a remuneration committee because the Board considers that the Company was not of a size, nor are its affairs of such complexity, to justify the establishment of a remuneration committee.</p> <p>The full Board maintains responsibility for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>The remuneration of directors is set pursuant to the Company's constitution which ensures that remuneration is appropriate and not excessive. The board has continued with this ethos. The responsibilities of the Board are set out in the Board Charter and the Remuneration Policy.</p>
--	-----------	--

<p>meetings; or</p> <p>(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.</p>	<p>Yes</p>	
<p>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.</p>	<p>Yes</p>	<p>The policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives are set out in the Remuneration Policy.</p> <p>The structure of non-executive Directors' remuneration is currently clearly distinguished from that of executives.</p> <p><u>Executive Remuneration</u> Executive Remuneration packages should include an appropriate balance between fixed remuneration that is comparable with current market rates and performance based remuneration, linked to clearly specified performance targets that align with the Group's short and long term objectives and which are appropriate to the Group's circumstances and goals.</p> <p><u>Non Executive Directors Remuneration Policy</u> Non-executive directors should be remunerated in accordance with current market rates for comparable companies and at a level that enables the Company to attract and retain non- executive directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders. Non-executive directors should not receive performance based remuneration.</p>
<p>8.3 A listed entity which has an equity- based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p>	<p>The Securities Trading Policy prohibits such participants from dealing in derivatives, hedging or other similar arrangements in relation to Securities that:</p> <p>(a) have not vested; (b) have not been released to the participant; or (c) have vested but are subject to trading restrictions.</p> <p>The Securities Trading Policy is located at: <a href="https://www.rightcrowd.com/media/1102/securities-trading-policy.pdf">https://www.rightcrowd.com/media/1102/securities-trading-policy.pdf</a></p>

