



RXP Services Limited

ABN: 30 146 959 917

APPENDIX 4G

CORPORATE GOVERNANCE STATEMENT

**FOR THE YEAR ENDED
30 JUNE 2015**

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity:

RXP Services Ltd

ABN / ARBN:

30 146 959 917

Financial year ended:

30 June 2015

Our corporate governance statement² for the above period above can be found at:³

- ☐ These pages of our annual report:
- ☒ This URL on our website:

The Corporate Governance Statement is accurate and up to date as at 7 September 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 9 September 2015



David Royale,
Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☒ at https://rxpservices.com.au/investors/corporate-governance/board-charter/	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
RXP			
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 (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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.5	A listed entity should: (a) have a diversity policy which includes requirements 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 entity's progress in achieving them; (b) disclose that policy or a summary of it; and (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: (1) 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 (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	... the fact that we have a diversity policy that complies with paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of our diversity policy or a summary of it: ☒ at https://rxpservices.com.au/investors/corporate-governance/Diversity ... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) Disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	... the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 meetings; or (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, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ 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: ☐ in our Corporate Governance Statement OR ☒ at https://rxpservices.com.au/investors/corporate-governance/board-charter/	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... our board skills matrix: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and, where applicable, the information referred to in paragraph (b): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and the length of service of each director: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) 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 (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.	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
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.	... our continuous disclosure compliance policy or a summary of it: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: ☒ at https://rxpservices.com.au/investors/corporate-governance	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 meetings; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement
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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (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 meetings; or (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.	[If the entity complies with paragraph (a):] ... the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> ... and a copy of the charter of the committee: ☐ at <i>[insert location]</i> ... and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☐ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement OR ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: ☐ in our Corporate Governance Statement <u>OR</u> ☐ at <i>[insert location]</i>	☐ an explanation why that is so in our Corporate Governance Statement <u>OR</u> ☒ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Statement

The Board of Directors of RXP “the Company” are responsible for ensuring the existence of an effective governance environment to safeguard the interests of the Company, its shareholders and other stakeholders. The Board is committed to achieving and maintaining the highest standards of accountability and transparency in the management and conduct of its business. The Board guides and monitors the business on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance Statement outlines the extent to which the Company’s corporate governance policies and practices are consistent with the ‘Corporate Governance Principles and Recommendations’ published by the ASX Corporate Governance Council (Recommendations). The Board considers that it generally complies with these principles and recommendations and, where the Company does not comply, this is due to the current relative size of the Company and scale and nature of its current operations, this has been identified together with the reasons why it has not been followed.

Principle 1 – Lay solid foundations for management and oversight

1.1 *The role of the Board and Management*

The Board adopted a Charter as the body ultimately responsible for the corporate governance of the Company which consists of the following major functions:

- Providing accountability to shareholders and other stakeholders;
- Appointing and working with the CEO;
- Approval of Company strategy;
- Development of key Company policies; and
- Monitoring management and operations.

The directors are responsible, and primarily accountable to the shareholders for the effective Corporate Governance of the Company. This means that the Board is responsible for directing and controlling the Company, guiding and monitoring its strategy and business affairs. This is carried out through the delegations of appropriate authority to the Chief Executive Officer (CEO) and, through the CEO, to the management of the Company.

Information regarding the Charter can be found at <https://rxpservices.com.au/investors/corporate-governance/board-Charter>

1.2 *Appointment and re-election of Board members*

Prior to appointing a new director, appropriate checks are conducted to ensure that the candidate brings a diverse range of experience, expertise, skills, independence and contacts relevant to the Company and its business. Material information in the Company’s possession relevant to a decision on whether or not to elect or re-elect a directors is provided to security holders.

1.3 *Written agreements*

The Company has written agreements each director and senior executive setting out the terms of their appointment. A summary of the main elements and terms of the agreement are provided in the Remuneration Report section in the Annual Report.

1.4 *Company secretary*

The Company Secretary is accountable to the Board for monitoring the Company’s compliance in respect of all corporate governance matters, communications and lodgement with the Australian Securities Exchange and regulators. The Company Secretary is also responsible for the administration of the Board and all Committees meetings.

1.5 Diversity

The Board has adopted a Diversity Policy that drives commitment to a work environment that:

- values each individual's unique talents and background regardless of gender, race, age, religion, culture, lifestyle choices or disability
- respects differences of individual's regardless of gender, race, age, religion, culture, lifestyle choices or disability
- recognises the opinions and ideas of every employee
- develops, encourages, and maintains a positive attitude towards diversity
- values and respects differences among the people with whom we interact
- ensures that all employees and potential employees are treated and evaluated equally according to the job related qualifications, skills, capabilities and aptitude

The Company recognises that valuing and respecting such differences helps the Company in being more successful in identifying and meeting the needs of client and developing effective work relationships.

The Company's Diversity Policy can be found at <https://rxpservices.com.au/investors/corporate-governance/Diversity>

We are committed to Equal Employment Opportunity (EEO) and Affirmative Action. Embracing diversity is not only the right way to do business, it is essential to the success of the Company. The Company is better able to effectively serve a diverse marketplace by having a diverse workforce. Our employees are expected to promote EEO and help ensure that the work environment is free from unlawful discrimination.

Specifically, the issue of gender diversity is one that the Companies Board and the broader Leadership group takes seriously. The Company has put in place a range of objectives and actions to help increase the number of women in our workforce.

The Company does not currently have any women on the Board, however, women represent 20% of Key Management Personnel positions directly reporting to the CEO. Of the Group's employees as at 30 May 2015, 18% are women (30 June 2014: 17%).

Category	% WOMEN	% MEN
Board	0%	100%
Executive KMP	20%	80%
Group	18%	82%

1.6 Board evaluation

The Board has undertaken to regularly evaluate the performance of the Board (including individual directors) and the Committees of the Board.

A internal review of Board performance was conducted during the reporting period. The Board is currently in the process of commissioning an independent third-party to undertake a Board performance evaluation.

Further details regarding the Board evaluation policy can be found at <https://rxpservices.com.au/investors/corporate-governance/board-performance-evaluation>

1.7 Performance evaluation of senior executives

As discussed within the remuneration report, The Board has set KPIs for the CEO and has, in conjunction with the CEO, developed KPIs for key executives. The KPIs generally include measures relating to the Group, the relevant business unit and the individual. They include financial measures (Revenue and EBITDA compared with budgeted amounts) and people, client, strategy, risks and growth measures (these vary with position and include measures such as achieving strategic outcomes and meeting leadership objectives).

At the end of the financial year, the Board assesses the actual performance of the Group, the relevant business unit and the individual against the KPIs as set at the beginning of the financial year.

Principle 2 – Structure the Board to add value

2.1 Nominations committee

The Company does not have a Nominations Committee. Given the size, scale and nature of the Company's business, the Board as a whole undertakes the responsibilities of a Nomination Committee. This includes devising and implementing policies covering the composition, succession planning, appointment, remuneration and evaluation of the performance of the Board, Directors, CEO and CFO.

2.2 Board skills matrix

The Company does have a "board skills matrix" setting out the mix of skills and diversity that it is looking to achieve in its membership. A summary of the experience and skills of the Board is set out in the matrix below.

<u>Experience and Skills</u>	<u>No. of Directors</u>
Strategy, Planning and M&A	3
Corporate Governance	3
Accounting & Finance	3
Risk Management	3
Leadership, People & Talent	3
Sales & Marketing	3
Digital Business	2
Technology & Technology Services	2

2.3 Size and composition of the Board

As required under the Board's Charter the composition of the Board is determined in accordance with the following principles:

- The Board comprises a minimum of three and a maximum of seven directors.
- The Chairman should be an independent non-executive director.
- Majority of independent directors.
- People who bring robust and independent judgement to the Board; and
- People with a broad range of experience, expertise, skills and contacts relevant to the Company and its business at any relevant point in time

2.4 Independent Directors

At the date of this report, the Board comprises two independent non-executive directors, and one executive director:

- Non-executive Chairman John Pittard (appointed 25 November 2013)
- Non-executive director Kenneth Stout (appointed 20 October 2010)
- Executive director (CEO) Ross Fielding (appointed 20 October 2010)

The Board has established an Independence and Conflicts of Interest Policy which assesses the independence of directors and addresses the handling of conflicts that may arise for directors. The Board periodically assesses the independence of each director in the light of the interests disclosed by them, and each director provides the Board with all relevant information for that purpose.

The Board, in its Nominations capacity will assess annually the independence of each director. The Board confirms that in its view the independent directors met the criterion during the financial year of being independent of management and free of outside influences which could materially interfere with the independence and objective judgement of the director.

Details can be found at <https://rxpservices.com.au/investors/corporate-governance/independence-conflict-of-interest>

2.5 Independent Chairman

The Board's Charter requires the Chairman to be an independent person, and to be occupied by a separate individual from the CEO. This is assessed annually by the Board to ensure the criteria is met.

2.6 Induction program

The Company has a program for inducting new directors by providing proper information on the company's business, its policies and procedures. Access to continuing education is provided to allow directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. Details on induction can found at <https://rxpservices.com.au/investors/corporate-governance/board-charter>

Principle 3 – Promote ethical and responsible decision making

3.1 Business conduct and ethics

The Board has adopted a Board Charter incorporating various Board Policies that formalises the role and responsibilities of the Board including a Code of Conduct for Directors and Officers. These are in place to guide behaviour, enhance investor confidence in the Company, and demonstrate a commitment to ethical standards and practices and to act honestly, with the utmost integrity and objectivity and in the best interests of the company and its shareholders.

The Company has adopted a policy that imposes certain restrictions on officers and employees trading in the securities of the company. These restrictions are in place to prevent inadvertent contraventions of the insider trading provisions of the *Corporations Act 2001*.

Information regarding the Share Trading Policy and the Code of Conduct for Directors and Officers can be found at <https://rxpservices.com.au/investors/corporate-governance/code-of-conduct> and <https://rxpservices.com.au/investors/corporate-governance/securities-trading>

Directors are entitled to obtain independent professional advice at the Company's cost conditional upon the Chairman's prior approval.

Principle 4 – Safeguard integrity in Financial Reporting

4.1 Audit Committee

The Board has established an Audit & Risk Committee which operates under the approved Audit Committee Charter. The role of the Audit Committee is to assist the Board in discharging its obligations to ensure:

- the integrity and reliability of information prepared for use by the Board, shareholders and other stakeholders, including financial information; and
- the integrity of the Company's internal controls affecting the preparation and provision of that information in determining policies or for inclusion in the financial report.

The Audit & Risk Committee has two directors (Kenneth Stout and John Pittard) appointed by the Board and:

- comprises of two independent non-executive directors;
- chaired by independent director Kenneth Stout who is not the Chairman of the Board;
- comprises members who are financially literate;
- has at least one member with financial expertise;
- has at least one member with an understanding of the industry in which the Company operates; and
- external auditors, CEO and CFO are invited to attend meetings at the discretion of the Audit Committee.

Full compliance with the ASX recommendation (requires three members, all of whom are non-executive directors and a majority of whom are independent directors) has not been met. The Company believes that due to the expertise of the Audit Committee directors and the size of the Company, the need for three members is mitigated at this present time. The Board will increase the audit committee when the Board is expanded to include three independent non-executive directors.

The members of the Audit & Risk Committee are disclosed in the Annual Report including their relevant qualifications and experience and the number of times they have met through the year.

Details can be found at <https://rxpservices.com.au/investors/corporate-governance/audit-committee-charter>

4.2 Financial Report Accountability

The external auditors, CEO and CFO are invited to attend meetings at the discretion of the Audit Committee. The CEO and CFO are required to declare whether, in their respective opinions, the Companies financial records have been properly maintained and whether the financial statements present a true and fair view of the Company's financial position and performance, and are in accordance with relevant accounting standards.

The external auditor has declared its independence to the Board. The Board has satisfied itself that there has been compliance with the standards for auditor independence.

4.3 External auditor at AGM

The external auditor of the Company attends AGMs and is available to answer shareholder questions which are relevant to the audit.

Principle 5 – Make timely and balanced disclosure

The company has adopted a continuous disclosure policy so as to comply with its continuous disclosure obligations under the ASX listing rules and the *Corporations Act 2001*.

The aim of this policy is to:

- assess new information and co-ordinate any disclosure or release to the ASX, or any advice required in relation to that information, in a timely manner;
- ensure that the chairman and managing director are responsible for approval of the appropriate disclosures under the continuous disclosure regime;
- report to the Board on continuous disclosure matters.

The company secretary is responsible for communications with the ASX, including overseeing information going to the ASX, company shareholders and other interested parties.

The company places all relevant market announcements on its website www.rxp services.com

The continuous disclosure and external communications policy can be found on the Company's website <https://rxpservices.com.au/investors/corporate-governance/continuous-disclosure-external-communication>

Principle 6 – Respect the rights of securityholders

6.1 Information on website

RXP is committed to continuous disclosure to keep shareholders informed of all major developments affecting the Group relevant to shareholders and in accordance with all applicable laws. Information will be communicated to shareholders through the lodgement of all relevant financial and other information with the ASX and publishing information on the Company's website www.rxp services.com.au

RXP's website includes ASX market announcements, key policies and Board Committee charters. All relevant announcements made to the market and any other relevant information is posted on the Company's website as soon as practicable after it has been released to the ASX.

6.2 Investor relations

The Company has implemented a shareholder communications policy to facilitate two-way communication with shareholders and investors, and to encourage effective participation at shareholder meetings. Written communications can be sent to investor.relations@rxpservices.com

6.3 Securityholders meetings

The Company does not utilise technology to disseminate live proceedings of its shareholders meetings, but does encourage verbal discussion at the AGM. Online voting and submission of questions is available for shareholders unable to attend.

6.4 Electronic communications

The Company's share registry, Computershare, provides shareholders with the option of receiving communications from and sending communications to it electronically.

Principle 7 – Recognise and manage risk

7.1 Oversight of risk

The Board has established an Audit & Risk Committee which operates under the approved Audit Committee Charter. The role of the Audit & Risk Committee is to assist the Board in discharging its obligations to ensure:

- monitor the effectiveness of the Company's risk and compliance internal controls and systems, and make recommendations to the Board as necessary;
- monitor the Company's exposure to significant risks, and make recommendations to the Board in respect of such monitoring findings, including strategic and operational improvements in risk management planning and implementation and insurance strategies.
- Oversee development and implementation of approved risk management plans;
- Monitor compliance with relevant legislative and regulatory requirements

The Audit & Risk Committee has two directors (Kenneth Stout and John Pittard) appointed by the Board and:

- comprises of two independent non-executive directors;
- chaired by independent director Kenneth Stout who is not the Chairman of the Board;

Full compliance with the ASX recommendation (requires three members, a majority of whom are independent directors) has not been met. The Company believes that due to the expertise of the Audit Committee directors and the size of the Company, the need for three members is mitigated at this present time. The Board will increase the audit committee when the Board is expanded to include three independent non-executive directors.

7.2 Implementation of risk management systems and risk review

A risk management framework has been developed and implemented within the Company. Due to the relative small size of the directorship it's not deemed efficient nor effective to have a separate Risk Committee to the Audit Committee. They are effectively the same Committee with Kenneth Stout (Independent Director) and John Pittard (Independent Chairmen) as members.

The Board adopts an active approach to risk management which recognises that the Company is engaged in activities which necessarily demand that the Company take usual business and operational risks. The Board embraces a responsible approach to risk management, being a risk aware company and not a risk averse one. Management (specifically the CEO and CFO) provide regular updates and offer appropriate risk management certifications to the Board.

The Risk & Audit Committee reviews the Company's risk management position annually and this has been conducted during the financial year.

Details can be found at <https://rxpservices.com.au/investors/corporate-governance/risk-management>

7.3 Internal audit function

The Company does not have a specific internal audit function. The Board and Audit & Risk Committee monitor and evaluate internal risks through various systems, programs and policies including:

- external financial audits conducted twice a year;
- monthly reporting performance against budget targets;
- in addition to the annual insurance program, an independent external insurance risk assessment with recommendations conducted;
- delegation of authority policy;
- appropriate segregation of duties; and
- Identification of any risks and issues at each Board meeting.

7.4 Sustainability risks

The Company does not have any material exposure to environmental and social sustainability risks.

The Board along with the Audit & Risk Committee identifies any economic, environmental and social sustainability risks and mitigates through implementing procedures and policies.

Principle 8 – Remunerate fairly and responsibly

8.1 Remuneration committee

The Board has established a Remuneration Committee which operates under the approved Board Charter. The role of the Remuneration Committee is to assist the Board in discharging its obligations to ensure:

- Reviewing and approving the appropriate remuneration of directors, the CEO as well as senior executives;
- Ensuring that the structure of non-executive and executive directors' remuneration is clearly distinguished;

The Remuneration Committee has three directors (John Pittard, Ross Fielding and Kenneth Stout) appointed by the Board and:

- comprises of two independent non-executive directors;
- chaired by independent director John Pittard;

The composition and structure of the Remuneration Committee complies with the ASX principles.

The members of the Audit Committee are disclosed in the Annual Report including their relevant qualifications and experience and the number of times they have met through the year.

Information regarding the Remuneration Committee can be found at <https://rxpservices.com.au/investors/corporate-governance/board-charter>

8.2 Executive versus non-executive remuneration

The Company's Remuneration Report is set out in the Directors' Report in the Annual Report.

The report details its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive and other senior executives.

The managing director determines the remuneration packages for the senior executives of the company in accordance with compensation guidelines set by the board. The board remuneration policy has been developed to ensure that remuneration packages properly reflect each person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest calibre.

8.3 Equity-based remuneration

The Company does not have an equity based remuneration scheme.