

2021 Corporate Governance Statement

We are committed to achieving best practice across the Group in all that we do, which we believe is fundamental to the long-term performance and sustainability of the Group and the delivery of our strategic objectives.

intelliHR Limited (the 'Company') and its associated entities (the 'Group'); believe corporate governance is central to its business objectives and a critical element contributing to the preservation of shareholder value.

The Board has adopted a suite of charters and key corporate governance documents which define the policies and procedures followed by the Group. These documents can be found in the Governance section of the Group's website and reviewed regularly to address changes in governance practices and the law.

The Group's Corporate Governance Statement references the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition) (the "Principles").

The Principles are outlined on the following pages, with the corresponding section of this Corporate Governance Statement addressing the Group's practices.

This statement provides an outline of the main corporate governance policies and practices the Group

had in place during FY21 and how the Group's framework aligns with the Principles (unless otherwise noted).

This statement has been approved by the Board of Directors of the Group and the information contained herein is correct as of 23 August 2021.

You can find further information on the structure of our business, our board and management team along with our policies and practices on our website.

Website Links:

Company information

www.intellihr.com/company/our-story

Corporate governance

www.intellihr.com/investor-relations/#corporate-governance

Recommendations

Compliance with recommendations

Principle 1 – Lay solid foundations for management and oversight

1.1 Roles and responsibilities of Board and management	<p>The Board is committed to acting in the best interests of the Company. The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Group's Corporate Governance Charter (Charter). The Charter also provides an overview of the roles of the Chairman, Directors and Executives.</p>	✓
	<p>A copy of the Charter is available in the Governance section of the Group's website.</p>	
1.2 Information regarding election or re-election of Director candidates	<p>The Group carefully considers the character, experience, education, skill set as well as interests and associations of potential candidates for appointment to the Board and conducts appropriate checks with assistance from the Remuneration and Nomination Committees to verify the suitability of the candidate prior to their election.</p>	✓
	<p>Comprehensive biographical information is provided to shareholders in the notice of meetings to enable them to make an informed decision on whether to elect or re-elect a Director.</p>	
	<p>The Group has appropriate procedures in place to ensure material information relevant to a decision to elect or re-elect a Director is disclosed in the Notice of Meeting provided to shareholders.</p>	

Principle 1 – Lay solid foundations for management and oversight (continued)

1.3 Written contracts of appointment

In addition to being set out in the Charter, all directors and senior executives have a written agreement which formalises the terms of their appointment. Each Director commits to a letter of appointment which specifies the term of their appointment, the envisaged time commitment, expectations and duties relating to the position, remuneration, disclosure and confidentiality obligations, insurance and indemnity entitlements, details of the Group’s corporate governance policies, and reporting lines.

✓

Each Senior Executive enters into an employment contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements. Contract details of senior executives who are Key Management Personnel can be found in the 2021 Annual Report.

1.4 Company Secretary

The Group has a board-appointed company secretary. Their biographical details and qualifications are included in the 2021 Annual Report.

✓

The group company secretary has overall responsibility for the group secretariat function and is directly accountable to the board, through the chairman, on all matters to do with the proper functioning of the board. This includes advising the board and its committees on governance matters, coordinating board business and providing a point of reference for dealings between the board and management.

All directors have access to the advice and services of the company secretary.

1.5 Diversity and inclusion

The Group’s Diversity Policy is disclosed on the Group’s website and sets out its objectives and reporting practices regarding diversity.

✓

The People Committee continues to review and monitor the Group’s diversity profile with a view to setting meaningful targets for the advancement of diversity within the Group.

Gender diversity statistics as at 30 June 2021 are outlined in the table below.

Item	Men	Women
Number of total employees	45	27
Percentage of total employees	62%	38%
Number of senior executives	4	1
Percentage of total senior executives	80%	20%
Number of total Board members	5	2
Percentage of Board members	71%	29%

*For the purpose of determining the above statistics, the Group considers “Senior Executives” to be those individuals who are direct reports to the Chief Executive Officer.

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Principle 1 – Lay solid foundations for management and oversight (continued)

1.5 Diversity and inclusion
(continued)

FY2021 Measure

Targets	Objective	Progress
Eliminate discrimination in the workplace.	Ensure equal opportunity training is offered.	Achieved
Support diversity, including gender diversity into leadership positions.	Ensuring recruitment and development programs aim for 50% female participation.	Achieved

1.6 Board reviews

The Board undertakes an evaluation process each year to assess its performance. The assessment is conducted by an external consultant who seeks Board and Management feedback on the performance of the Board and Committees as a whole, as well as feedback on individual directors and the Group’s reporting and governance practices. The most recent evaluation was completed in August 2021.

✓

1.7 Management reviews

The Chair of the Board is responsible for evaluating the performance of the Executive Directors. At least annually, the Board formally evaluates the performance of the Executive Directors against their previously approved KPIs. These reviews are documented. Performance reviews have been undertaken for the current reporting period.

✓

Principle 2 – Structure the board to add value

2.1 Nominations committee

A Nomination Committee has been established with its own charter and its membership consists of the Chairman of the Board and all non-executive Directors. The Committee is chaired by the Chairman of the Board, who is an independent director, and all committee members are independent directors. The qualifications of the members are set out in the Annual Report. Further details regarding the Nomination Committee’s functions are set out in the Nomination Committee Charter which is available on the Group’s website.

✓

2.2 Board skills matrix

The skills, knowledge and experience set out in the table below have been identified as those that are required for the effective management of the Group. The Board possesses broad coverage of these skills and attributes. Further details regarding the skills and experience of each Director are included in the 2021 Annual Report.

✓

Skills Matrix

The skills were determined by what is considered important for the management of a publicly listed company and specific to the industry in which the Group operates.

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Principle 2 – Structure the board to add value

2.2 Board skills matrix
(continued)

The following table sets out the experience and skills deemed necessary or desirable by the Board, in the Group’s Directors and whether they are represented on the Board. ✓

Competency	Representation of skills held by directors
Strategy Track record of developing and implementing a successful strategy (strategy development & strategy execution).	7 Directors
Going Global Senior executive or equivalent to enter into global markets/jurisdictions.	5 Directors
Human Resource Management Experience in Human Resource Management.	4 Director
Financial Acumen Senior executive or equivalent experience in financial accounting and reporting, corporate finance, risk management, and internal financial controls, including an ability to probe the adequacies of financial and risk controls.	7 Directors
Corporate Governance Strong corporate governance experience with an understanding of publicly listed company obligations.	7 Directors
Innovation and Technology Experience in using information and technology as a core product and solution differentiator, and experience in using information and technology systems as a strategic asset to grow business.	5 Directors
Capital Markets and/or Mergers and Acquisitions Experience in capital markets and/or experience in identifying, implementing or executing mergers and acquisitions.	4 Directors
External Communications Experience in using external communications to influence other business leaders, industry peak bodies, government, and financial market and investor stakeholders.	3 Directors
Executive Management Experience in evaluating performance of senior management and oversee strategic human capital planning. Experience in organisational change and management programs.	7 Directors

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Principle 2 – Structure the board to add value (continued)

2.3	Disclose independence and length of service	<p>The Group currently has a seven-member Board, of which five are independent Non-executive Directors. The Board is chaired by an independent Non-executive Director. Together, the Directors have a broad range of experience, expertise, skills and qualifications relevant to the Group and its business.</p> <p>Details of each Director’s qualifications, experience, special responsibilities and information on other directorships held are set out in the 2021 Annual Report and on the Group’s website.their individual skills and experience are set out in the 2021 Annual Report and on the Group’s website.</p>	✓
2.4	Majority of Directors independent	<p>In accordance with the Board Charter which is contained within the Charter and available on the Group’s website, a Director is considered independent if the Director is independent of management and free of any business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgment in relation to matters concerning the Group.</p> <p>During the reporting period, five of the seven Board members were considered to be independent – Anthony Bellas, Greg Baynton, Jamie Duffield, Ilona Charles and Belle Lajoie. Robert Bromage is an executive director and therefore not considered independent. David Slocomb is a related party of Colinton Capital, a substantial shareholder of intelliHR, and is therefore also no considered independent.</p> <p>The decision as to whether a Director is independent is a decision made by the Board.</p>	✓
2.5	Chair independent	<p>The Chairman, Anthony Bellas, is an independent non-executive Director.</p> <p>Further details regarding the Chairman are set out in the 2021 Annual Report and also available on the Group’s website.</p>	✓
2.6	Induction and professional development	<p>An induction process including appointment letters and ongoing education exists to promote early, active and relevant involvement of new members of the Board.</p> <p>Directors are encouraged to undertake continuing professional development activities each year and to join appropriate professional associations in order to continually develop and enhance their respective levels of industry knowledge, technical knowledge and other skills required to discharge their role effectively.</p>	✓

Principle 3 – Act ethically and responsibly

3.1	Values	<p>The Company is committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company’s commitment to compliance with these standards.</p> <p>The Company’s values are set out in its Statement of Values, a copy of which is available on the Company’s website.</p>	✓
3.2	Code of conduct	<p>The Group has a Code of Conduct for Directors, senior executives, employees, consultants and contractors, which set out the fundamental principles of business conduct expected by the Group. The Code of Conduct, as it relates to Directors, is contained within the Charter and available on the Group’s website.</p>	✓

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Principle 3 – Act ethically and responsibly (continued)

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| 3.3 Whistleblower policy | <p>The Board has adopted a Whistleblower policy to ensure concerns regarding unacceptable conduct including breaches of the Company’s code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistleblowing about issues where the interests of others, including the public, or of the organisation itself are at risk.</p> <p>Under the Company’s Whistleblower Policy, any material breaches are to be reported to the Chairman and the Company Secretary of the Board. A copy of the Whistleblower Policy is available on the Company’s website.</p> | ✓ |
| 3.4 Anti-bribery and corruption policy | <p>The Company has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company’s position on bribery and corruption, reinforce the Company’s values and to provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.</p> <p>Under the Company’s Anti-Bribery and Anti-Corruption Policy, any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Chairman and Company Secretary of the Board. A copy of the Anti-Bribery and Anti-Corruption Policy is available on the Company’s website.</p> | ✓ |

Principle 4 – Safeguard integrity in corporate reporting

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| 4.1 Audit committee | <p>The Group has established an Audit and Risk Committee which is comprised of four non-executive Directors, three members being independent non-executive directors, and is chaired by Non-executive Director David Slocomb. Although David Slocomb is not considered independent, the Board considers that he has the most relevant skill set of all Directors to carrying out the role of Chair of the Audit and Risk Committee. Further details about the membership of the Audit and Risk Committee, including the names and qualifications of its members, are detailed in the Annual Report.</p> <p>The Audit and Risk Committee Charter is contained within the Charter and available on the Group’s website, along with information on its members. The number of meetings held by the Committee and the Directors’ attendance at meetings is disclosed each year in the Group’s Annual Report.</p> | x |
| 4.2 MD and CFO certification of financial statements | <p>The Managing Director and Chief Operating Officer provide a statement to the Board and Audit Committee in advance of seeking approval of any financial report to the effect that the Group’s risk management and internal compliance and control systems are operating efficiently and effectively in all material respects. In accordance with the above, the Board has received a written assurance that the declaration provided under section 295A Corporations Act is based on a sound system of internal control and risk management, which is operating effectively in all respects in relation to material business risks and financial reporting.</p> | ✓ |
| 4.3 Integrity of financial reports | <p>When preparing reports for release to the market including the quarterly activity and cash flow reports these reports shall be prepared by management and reviewed by the Board. Such reports shall not be released to the market without this review and approval process.</p> | ✓ |

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Recommendations
Compliance with recommendations
Principle 5 – Make timely and balanced disclosure

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| 5.1 Disclosure policy | The Group has adopted a Continuous Disclosure Policy which sets out the processes and practices to ensure compliance with the continuous disclosure requirements under the ASX Listing Rules and the Corporations Act. A copy of the policy and guidelines are available on the Group's website. | ✓ |
| 5.2 Material market announcements | Under the Company's Continuous Disclosure Policy, all members of the Board will receive material market announcements prior being released. | ✓ |
| 5.3 Investor presentations | Under the Company's Continuous Disclosure Policy, all substantive investor or analyst presentations will be released on the ASX Market Announcements Platform ahead of such presentations. | ✓ |

Principle 6 – Respect the rights of security holders

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| 6.1 Publicly available information accessible on website | <p>The Group's website contains extensive information on the Group, its history and business activities and information relevant to investors as set out in the guidelines.</p> <p>Investors may access copies of ASX announcements, notices of meeting, investor presentations and annual reports, as well as general information about the Group, on the Group's website.</p> | ✓ |
| 6.2 Investor relations programs | <p>Through its shareholder communications, the Group aims to provide information that will enable existing and potential shareholders and financial analysts to make informed decisions about the Group's value.</p> <p>The Group conducts regular market briefings including interim and full year results presentations, investor roadshows, and also attends industry conferences in order to facilitate communication with investors and other stakeholders. All presentation material is provided to the ASX prior to these events and subsequently uploaded to The Group's website ensure that all shareholders have timely access to information. The Group's website also provides important information regarding compliance and corporate governance. The Group aims to ensure that all shareholders are well informed of all major developments affecting the Group through its ongoing commitment to continuous disclosure obligations.</p> | ✓ |
| 6.3 Facilitate participation at meetings of security holders | Shareholders are encouraged to attend the Group's Annual General Meeting and to ask questions of Directors. The notice of meeting includes a process to enable shareholders to submit questions to the Board and the Group's auditor prior to the meeting. | ✓ |
| 6.4 Resolutions by poll | All resolutions of security holder meetings will be decided by poll rather than a show of hands. | ✓ |
| 6.5 Facilitate electronic communication | The Group provides its investors the option to receive communications from, and send communications to, the Group and the share registry electronically. | ✓ |

Principle 7 - Recognise and manage risk

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| 7.1 Risk committee | <p>The Audit and Risk Committee reviews and makes recommendations to the Board in relation to risk matters. The Audit and Risk Committee is comprised of three independent Non-executive Directors and is chaired by David Slocomb. Further details about the membership of the Audit and Risk Committee, including the names and qualifications of its members, are set out in the 2021 Annual Report.</p> <p>The Charter of the Audit and Risk Committee is available on the Group's website. The number of meetings held by the Committee and the Directors' attendance at meetings is disclosed in the Group's Annual Report.</p> | ✓ |
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Principle 7 – Recognise and manage risk (continued)

7.2 Annual risk review	<p>The Board is responsible for the oversight and management of risk, and is assisted by the Audit and Risk Committee where required. Senior executives are responsible for the identification, evaluation and monitoring of material business risks on an ongoing basis as well as embedding a culture throughout the Group that promotes awareness of potential exposures created by risk.</p> <p>A review of material business risks has been conducted in the current period, which concluded that controls over risk management processes were adequate and effective.</p>	✓
7.3 Internal audit	<p>The Group does not have a formal internal audit function. To ensure compliance with the Group’s published policies and procedures and its legal and regulatory obligations, the Group continually review and refine processes and policies to enhance the effectiveness of the Group’s internal controls. Any identified control and process issues are formally reported to the Audit and Risk Committee and formalised action plans are put in place to address the issues.</p>	✓
7.4 Environmental and social risks	<p>The Directors advise the Group have no material exposure to environmental or social sustainability risks.</p>	✓

Principle 8 - Remunerate fairly and responsibly

8.1 Remuneration committee	<p>The Group’s remuneration framework is overseen by the People Committee, comprising three directors, two of which are independent non-executive directors, and is chaired by Ilona Charles.</p> <p>The Charter governing the conduct of the People Committee is available on the Group’s website.</p> <p>Details of membership of the People Committee, including the names and qualifications of Committee members, are set out in the 2021 Annual Report.</p> <p>The number of meetings held and attended by each member of the People Committee during the financial year is detailed in the 2021 Annual Report.</p>	✓
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Principle 8 - Remunerate fairly and responsibly (continued)

8.2 Disclosure of Executive and Non-Executive Director remuneration policy

The Group seeks to attract and retain high performing Directors and Executives with appropriate skills, qualification's and experience to add value to the Group and fulfil the roles and responsibilities required. Further details of the Group's remuneration methodologies are set out in the 2021 Annual Report.

✓

Executive remuneration is to reflect performance and accordingly, remuneration is structured with a fixed component and performance-based component. Non-Executive Directors are paid fixed fees for their services in accordance with the Group's Constitution. Fees paid are a composite fee (covering all Board and Committee responsibilities) and any contributions by the Group to a fund for the purposes of superannuation benefits for a Director. No other retirement benefits schemes are in place in respect to Non-Executive Directors.

The Group provides long term incentives to executives via its Employee Share Plans. The Plans are designed to focus executives on delivering long-term shareholder returns. Under the Plans, participants will be able to exercise their securities subject to vesting conditions being satisfied.

Participation in the Plans are at the Board's absolute discretion and no individual has a contractual right to participate in the Plans.

Further details regarding remuneration and share retention policies and the remuneration of Executive and Non-Executive Directors, are set out in the 2021 Annual Report and detailed in the Securities Trading Policy available from the Group's website.

8.3 Policy on hedging equity incentive schemes

Details of the Group's Employee Share Plans are set out in the Remuneration Report and included in the 2021 Annual Report.

✓

The Group's Employee Share Plans prohibit transactions which conflict with the Group's Securities Trading Policy (which prohibits Directors and executives from entering into margin lending arrangements or short-term dealings trading in relation to company securities). A copy of the Securities Trading Policy is available on the Group's website.

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