

People Infrastructure Ltd. ACN 615 173 076

Corporate governance statement

This statement is current as at 20 October 2017

Overview

As an ASX listed company, People Infrastructure is required to have regard to the ASX Corporate Governance Principles and Recommendations (3rd Edition) (**ASX Governance Principles**) and benchmark its corporate governance practices against the ASX Governance Principles (Listing Rule 4.10.3). Reporting is done on an 'if not, why not' basis, and any departure from the recommendations, and reasons why, is required to be disclosed in People Infrastructure's prospectus (referred to as a 'corporate governance statement'). Provision of a corporate governance statement to ASX is also a listing requirement. Post-listing, People Infrastructure will be required to annually report on its corporate governance practices as part of its annual reporting process.

The Directors and management of People Infrastructure Ltd. ACN 615 173 076 (**People Infrastructure** or **Company**) are responsible for reviewing and maintaining the corporate governance principles of its group and ensure that they do not materially differ from the principles set out in the ASX Corporate Governance Principles and Recommendations (Third Edition) (**Recommendations**). The objective of the Company's board of directors (**Board**) is to enhance shareholder value. The Board considers there is a strong link between good corporate governance policies and practices and the achievement of this objective. The directors are responsible for reviewing and maintaining the corporate governance principles of the Company's group.

This statement identifies and provides reasons for some Recommendations not being followed.

This statement has been approved by the Board and the Company's corporate governance policies and charters are available at the Company's website at www.peopleinfrastructure.com (**Website**).

No.	Principles and Recommendations	Status	Notes
<p>Principle 1: Lay solid foundations for management and oversight.</p> <p>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitor and evaluated.</p>			
1.1	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (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 	Complying	<p>The Board has adopted a Board Charter that formalises the functions and responsibilities of the Board (including the process for evaluating the performance of the Board and its committees).</p> <p>The Board Charter requires that the Board comprise Directors with a range of experience, expertise, skills, diversity and contacts relevant to the Company and its business. The responsibilities of the Board are expressly set out in item 2 of the Board Charter and authority delegated to the managing director is set out in item 11 of the Board Charter.</p> <p>The Board Charter also sets out that a Director can seek independent advice or other professional advice at the Company's expense after receiving approval from the Chair. Such approval may not be unreasonably withheld or delayed.</p> <p>A copy of the Board Charter is available on the Website.</p>
1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (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 	Complying	<p>The Board has established the Nomination and Remuneration Committee which has the responsibility (among others) to make recommendations to the Board with respect to the appointment of new directors to the Company. As set out in the Nomination and Remuneration Committee Charter, the Committee has the responsibility to undertake checks before making recommendations for the consideration of the Board.</p> <p>In accordance with the ASX listing requirements, the Company conducted background checks on all of its directors, to the extent possible, including criminal history checks and insolvency checks for</p>

			<p>each country which a relevant director has resided in the past 10 years.</p> <p>The Company will provide information to security holders about Directors seeking re-election at a general meeting to enable them to make an informed decision on whether to re-elect that Director.</p> <p>In the event a person stands for election as a Director for the first time, the Company will provide sufficient background and material information to its security holders to allow them to make an informed decision.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complying	All Directors and senior executives are on written terms with the Company. The Board Charter contains a requirement for a letter of appointment to be prepared for all Director appointments.
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.	Complying	<p>The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the Corporations Act.</p> <p>As at the date of this statement, Zoe Levendel is the Company Secretary.</p>
1.5	<p>A listed entity should:</p> <p>(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;</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 in accordance with the entity's diversity</p>	Complying	<p>The Board and the Company's employees have diverse skills, backgrounds, perspectives and experiences.</p> <p>The Company aims to actively promote a corporate culture that supports diversity in the workplace and in the composition of the Board. To facilitate this, the Company has adopted a Diversity Policy which gives responsibility to the Nomination and Remuneration Committee to implement and review the Company's Diversity Policy. The Company intends to disclose at the end of the next reporting period the Company's progress towards achieving its diversity objectives.</p>

	<p>policy and its progress towards achieving them, and either:</p> <ol style="list-style-type: none"> 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. 		
1.6	<p>A listed entity should:</p> <ol style="list-style-type: none"> (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. 	Complying	<p>The Board Charter sets out that the Board will review the performance of the Board, the Directors and its Committees. The Nomination and Remuneration Committee will assist the Board in ensuring that the performance of each Director is reviewed and assessed each year in accordance with procedures adopted by the Board. Item 7 of the Board Charter sets out the process for the performance review and evaluation of Directors and Item 12 provides that the Board will evaluate its Committees in accordance with the relevant charter.</p>
1.7	<p>A listed entity should:</p> <ol style="list-style-type: none"> (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. 	Complying	<p>The Board Set provides, under Item 7.8, that the Board may review and assess the performance of its senior executives in accordance with the same process for reviewing and evaluating its Directors.</p>
<p>Principle 2: Structure the board to add value.</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>			

2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination Committee which:</p> <ol style="list-style-type: none"> 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 <p>(b) if it does not have a nomination Committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Complying	<p>The Board has established a Nomination and Remuneration Committee comprising three members: Glen Richards (independent chair of the Committee), Elizabeth Savage and Declan Sherman.</p> <p>The Composition of the Nomination and Remuneration Committee is set out in Item 4 of the Nomination and Remuneration Committee Charter and provides that it must comprise of not less than three members.</p> <p>The Committee comprises of a majority of independent members (being Glen Richards and Elizabeth Savage).</p> <p>The Committee meets at least once during each year and more often as required and the Company will disclose in its annual report the number of times the Committee meets throughout each financial year and the individual attendances of the members of those meetings.</p> <p>A copy of the Nomination and Remuneration Committee Charter is available on the Website.</p>
2.2	<p>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>	Non-complying	<p>The Board has not yet adopted a board skills matrix.</p> <p>As a result, the Company is not complying with this Recommendation.</p> <p>However, the Board Charter sets out under Items 3.2(a) and 15 the composition of that Board should comprise of members with a broad range of skills and diversity and the Company will report in its annual report details about the use by the Company of a board skills matrix to identify any gaps in the skills, qualifications, diversity and experience of the Directors of the Board.</p>

2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Complying	<p>The Board currently comprises of two independent directors (Glen Richards and Elizabeth Savage). Although both Glen and Liz will be a security holder of the Company, they will not be considered a substantial holder and will be free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the independent exercise of their judgement.</p> <p>The length of service of each director is set out below by reference to each Director's date of appointment:</p> <p>(a) Declan Sherman: 5 October 2016</p> <p>(b) Tom Reardon: 9 January 2017</p> <p>(c) Elizabeth Savage: 18 October 2017</p> <p>(d) Glen Richards: 18 October 2017</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	Non-complying	<p>As of the date of this statement, the Board comprises Declan Sherman, Tom Reardon, Elizabeth Savage and Glen Richards.</p> <p>Elizabeth Savage and Glen Richards are considered independent but only comprise half of the Board.</p> <p>The Company is not complying with this recommendation.</p> <p>However, the Board has considered the Board's independence and concluded that the non-executive Directors (Glen Richards and Elizabeth Savage) bring objective and unbiased judgement to the Board's deliberations and that the executive Directors (Declan Sherman and Tom Reardon) provide for a deep understanding the Company's business and the labour hire industry.</p>
2.5	<p>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.</p>	Complying	<p>The Chair is Glen Richards, independent non-executive Director, and is not the same person as the Company's CEO.</p>

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.	Complying	Item 8 of the Board Charter provides for new Directors to be provided with information about the Company as well as the continuing education of ongoing Directors to allow them to perform their role as directors effectively. The Company secretary also has the responsibility to help organise and facilitate the induction and professional development of the Directors.
<p>Principle 3: Act ethically and responsibly.</p> <p>A listed entity should act ethically and responsibly.</p>			
3.1	A listed entity should: (a) have a code of conduct for its conduct, senior executives and employees; and (b) disclose that code or a summary of it.	Part complying	The Board has adopted a Code of Conduct, a copy of which is available on its website. The Code of Conduct is in relation to the Directors' legal and ethical obligations regarding their position within the Company and is not applicable to all senior executives and employees. As a result, the Company is only part complying with this recommendation. However, the Board believes that considering the majority of the management of the Company are directors (Declan Sherman and Tom Reardon), the departure from this recommendation is not materially detrimental to the Company.
<p>Principle 4: Safeguard integrity in corporate reporting.</p> <p>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p>			
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	Part complying	The Board has established an Audit and Risk Committee comprising Glen Richards, Elizabeth Savage and Declan Sherman. As Glen Richards and Elizabeth Savage are considered by the Board to be independent Directors, the majority of the Audit and Risk Committee is independent but not comprised entirely of non-

	<p>2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>3) the charter of the Committee;</p> <p>4) the relevant qualifications and experience of the members of the Committee; and</p> <p>5) in relation to each reporting period, the number of times the Committee met throughout the period and the individual attendees 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>executive directors as Declan Sherman is an executive Director of the Company.</p> <p>As a result, the Company is only part complying with this recommendation.</p> <p>However, the Board is of the view that the current members of the Audit and Risk Committee are the most appropriate to carry out its objectives and all of the members will bring independent judgement to its deliberations.</p> <p>The Audit and Risk Committee meets at least once during each year and most often as required and the Company will disclose this as well as the individual attendances in its annual report.</p> <p>The relevant qualifications and experience of the Committee members are as follows:</p> <ul style="list-style-type: none"> • Glen Richards: Mr Richards has over 26 years of experience in the retail and professional services sectors with extensive operational experience in fast growing companies, especially in health care and allied health sectors. Mr Richards was the founding Managing Director of Greencross Limited and Co-Founder of Mammoth Pet Holdings Pty Ltd, prior to its merger with Greencross Limited in 2014. He is currently Chairman of Healthia Pty Ltd and a director of Greencross Limited, Montserrat Private Day Hospitals, Smart Clinics General Medical Practices, Regeneus Ltd and 1300Smiles Limited. Mr Richards is also a shareholder, advisor and mentor to a number of innovative technology companies. • Elizabeth Savage: Ms Savage has extensive commercial leadership & strategic development experience, having held senior executive roles scaling international corporations easyJet Plc, Monarch Travel Group and, most recently, as Group Executive
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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.	Complying	<p>The Board is committed to ensuring the financial statements of the Company represent a true and fair view of the Company's financial position and performance.</p> <p>Under Item 2(i) of the Board Charter, the Board is responsible for approving and monitoring financial and other reporting of the Company.</p> <p>The Board has established the Audit and Risk Committee to assist the Board with the quality and reliability of financial information prepared by the Company and monitor an appropriate internal control framework.</p>
4.3	A listed entity that has an AGM should ensure that its external auditor attends it AGM and is available to answer questions from security holders relevant to the audit.	Complying	Security holders have the ability to ask the external auditor questions at the AGM.

Principle 5: Make timely and balanced disclosure.

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

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.	Complying	The Board has adopted a Continuous Disclosure Policy and is committed to complying with all continuous disclosure obligations imposed by the ASX Listing Rules and otherwise as required by law. A copy of the Continuous Disclosure Policy is available on the Website.
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Principle 6: Respect the rights of security holders

A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complying	Item 14.10 of the Board Charter provides that the Company will make available to security holders and investors information about the Company on its Website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complying	The Company intends to ensure that investors are kept fully up to date in relation to major developments and activities of the Company and has adopted a Shareholder Communication Policy to allow for effective communication between the Company and investors. A copy of the Shareholder Communication Policy is available on the Website.
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.	Complying	The Company's policies and processes it has in place to facilitate and encourage participation at security holder meetings is set out in the Shareholder Communication Policy. In particular, the Company encourages its shareholders to attend the Company's annual general meeting and, in accordance with the

			Corporations Act, will provide notice of the meeting to each shareholder.
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.	Complying	As provided under Item 14.11 of the Board Charter, the Company is committed to electronic communication with its shareholders, including through its Website. Investors are able to communicate with the Company electronically through the Website and with the Company's share registry by visiting www.investorcentre.linkmarketservices.com.au .
Principle 7: Recognise and manage risk			
A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.			
7.1	The board of a listed entity should: (a) have a Committee or Committees to oversee risk, each of which: a) has at least three members, a majority of whom are independent directors; and b) is chaired by an independent director, and disclose: c) the Charter of the Committee; d) the members of the Committee; and e) as at 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.	Complying	The Board has established an Audit and Risk Committee comprising Glen Richards, Elizabeth Savage and Declan Sherman. The principle role of the Audit and Risk Committee is to: (a) monitor the establishment of an appropriate internal control framework; (b) assess corporate risk and compliance with internal controls; and (c) overseeing business continuity planning and risk mitigation arrangements. The Audit and Risk Committee has three members and the majority is considered to be independent (Glen Richards and Elizabeth Savage). Elizabeth Savage is also the chair of the Committee. The Audit and Risk Committee meets at least once each year or more as required and the number of times the Audit and Risk Committee has met as well as the attendees will be disclose in the Company's annual report. The Audit and Risk Committee Charter is available on the Website.

7.2	<p>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>	Complying	<p>The Board has adopted a Risk Management Policy to outline the Board's responsibility and authority to oversee and manage the Company's risk. The Board has established the Audit and Risk Committee to assist the Board in day-to-day oversight of the Company's risk management program and the Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes.</p> <p>As set out in Item 4 of the Risk Management Policy, the Board will review the effectiveness of the Company's risk management and internal control system annually and may disclose the results of such review in its annual reports.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; and</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>	Complying	<p>The Company does not have an express internal audit function. However, the Board has established the Audit and Risk Committee to perform the internal audit function as set out in Item 2 of the Audit and Risk Committee Charter, including monitoring and evaluating the Company's internal control framework and risk management framework. The Board has also adopted a Risk Management Policy to assist the Board and the Audit and Risk Committee in performing its internal control roles. Both the Committee's charter and the Risk Management Policy are available on the Website.</p>
7.4	<p>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>	Complying	<p>Material exposure means a real possibility that the risk in question could substantively impact the listed entity's ability to create or preserve value for security holders over the short, medium or long term. Economic sustainability is the Company's ability to continue operating at a particular level of economic production over the long term. Environmental sustainability is the Company's ability to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. Social sustainability means the Company's ability to continue</p>

			<p>operating in a manner that meets accepted social norms and needs over the long term.</p> <p>The Company's ongoing disclosure obligation in respect of changes in its state of affairs is covered in item 14 of the Board Charter.</p> <p>Item 2 of the Continuous Disclosure Policy sets out the obligation of the Company to immediately disclose 'price sensitive' information to ASX as is the requirement under the listing rules therefore the Company will update shareholders of material exposure to such risks as and when it arises.</p>
<p>Principle 8: Remunerate fairly and responsibly</p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</p>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration Committee which:</p> <ol style="list-style-type: none"> 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 <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</p>	Complying	<p>The Board has established a Nomination and Remuneration Committee comprising Glen Richards, Elizabeth Savage and Declan Sherman.</p> <p>The principle role of the Nomination and Remuneration Committee is to assist the Board and make recommendations to it about the appointment of new Directors and advise on remuneration and issues relevant to remuneration policies and practices.</p> <p>The Committee is comprised of three members, including an independent chair, Glen Richards.</p> <p>The Nomination and Remuneration Committee meets at least once each year and more often as required and the Company will disclose in its annual report the number of times the Committee meets throughout each financial year as well as the individual attendances.</p> <p>A copy of the Nomination and Remuneration Committee Charter is available on the Website.</p>

	senior executives and ensuring that such remuneration is appropriate and not excessive.		
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.	Complying	<p>The Nomination and Remuneration Committee Charter specifies the Committee's responsibility to oversee the remuneration strategies and policies for the Company.</p> <p>The remuneration of each director (both executive and non-executive) is detailed in the Company's prospectus and will be disclosed in its annual report.</p>
8.3	<p>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>	Complying	<p>Item 2 of the Nomination and Remuneration Committee Charter sets out the scope of their review as including review of policies relating to equity participation and other incentive programs.</p> <p>The Company has a Performance Rights Plan in place to assist in the motivation, retention and reward of executives and employees. A copy of this policy is available on the Website.</p> <p>The Company also has a Securities Trading Policy also available on its Website which outlines when key management personnel (including Directors) and certain other employees nominated by the Board may trade Company securities.</p>