

# ASX Announcement

**rhipe Limited (ASX:RHP)**



11 October 2021

## 2021 SCHEME MEETING – CHAIRMAN'S ADDRESS

rhipe Limited ('rhipe' or the 'Company') refers to the proposed scheme of arrangement under which Crayon Software Experts Australia Pty Ltd, an indirectly wholly-owned subsidiary of Crayon Group Holding ASA ('Crayon'), will acquire all of the shares in rhipe ('Scheme').

In accordance with ASX Listing Rule 3.13.3, attached to this announcement are the following documents to be presented at the Scheme Meeting of rhipe Limited commencing at 11:00am (Sydney time) today:

- a copy of the address to be delivered by the Chairman at the Scheme Meeting; and
- the Scheme Meeting presentation slides.

rhipe shareholders (or their proxies, attorneys or corporate representatives) will be able to attend and vote at the Scheme Meeting through an online platform available at <https://agmlive.link/RHPSM21> or via telephone (for those rhipe shareholders who have obtained a unique PIN for verification purposes from Link Market Services).

The voting results of the Scheme Meeting will be communicated to the ASX shortly after the conclusion of the Scheme Meeting.

**ENDS**

*Approved for release by the Chief Financial Officer.*

### About Crayon

Crayon helps customers build the commercial and technical foundation for a successful and secure digital transformation journey. We provide guidance on the best solutions for our clients' business needs and budget to thrive and innovate with software, cloud, AI and big data. Headquartered in Oslo, Norway, Crayon has over 2,000 employees across more than 50 locations and 35 countries worldwide.

### About rhipe

rhipe, (ASX: RHP) is a global leader in cloud and technology solutions, providing partners with business advisory and deep domain technical expertise to thrive in the growing cloud market. rhipe is recognised as an expert in subscription software licensing in Asia Pacific. Its multi-award-winning services and support division is the industry leader in Microsoft Office 365 implementation and other global vendor solutions.

### For more information, contact:

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## **SCHEME MEETING – CHAIRMAN'S ADDRESS**

### **GARY COX, NON-EXECUTIVE CHAIRMAN**

Good morning everyone and welcome to the Scheme Meeting of rhipe Limited. My name is Gary Cox and I have the pleasure of being the Chairman of your company.

As a quorum is present, I declare the rhipe Scheme Meeting OPEN. I propose to take the Notice of Meeting as read.

On behalf of the rhipe Board and the management team, I would like to welcome our shareholders, or their proxies, attorneys or representatives present – thank you all for attending today.

The purpose of this meeting is for shareholders to vote on the proposed scheme of arrangement in relation to the acquisition of rhipe by an indirectly wholly-owned subsidiary of Crayon Group Holding ASA, who I will refer to during this meeting as Crayon. Crayon is a leading IT advisory firm in software and digital transformation services with more than 2,000 employees in 50 offices worldwide. Crayon has been listed on the Oslo Stock Exchange since 2017.

Given the ongoing health risks associated with the COVID-19 pandemic, in the same manner as our 2020 Annual General Meeting, today's Scheme Meeting is being held via an online platform. Joining me today include fellow rhipe Board members together with our rhipe CEO and Managing Director, Dominic O'Hanlon, Chief Financial Officer and Chief Operating Officer Mark McLellan and Company Secretary, Marika White. Marika White will address the shareholder questions received during this meeting. All other attendees are currently listening to a live webcast of the meeting, and you are also able to ask questions and submit votes through the platform.

If we experience any technical issues during today's meeting that results in a significant number of shareholders being unable to reasonably participate, I will adjourn this meeting. We would hope that any technical issues could be resolved quickly, and the reconvened meeting held later today. Please check the ASX if this eventuates.

Voting is now open. I will now pass to Marika White, our Company Secretary, to provide an overview of the online platform, including how to ask questions and vote. Marika.

### **MARIKA WHITE, COMPANY SECRETARY**

Thank you, Gary.

First, I would like to provide an overview of the online platform you are now reviewing. If at any stage you have difficulties with the platform, there is a helpline number displayed at the top of the page which you can call. That number is 1800 990 363.

You will see today's presentation slides on the online platform. These presentation slides were lodged with the ASX this morning and are available on the ASX website.

At the bottom of the online platform there are three boxes:

- get a voting card;
- ask a question; and
- downloads.

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In the downloads section you will see two documents, being:

- the Scheme Booklet including the Notice of Meeting; and
- the Scheme Meeting Online Guide, which provides detailed guidance on how to use the online platform.

The 'Ask a Question' and 'Get a Voting Card' buttons at the bottom of the page are also replicated at the top of the page.

### HOW TO ASK A QUESTION

If you did not submit a question prior to the meeting and would like to ask a question you can do so by clicking the 'Ask a Question' button, selecting the item of business that your question relates to, writing your question and then clicking submit.

If you have joined this meeting via telephone and would like to ask a question, when I call for questions on the Scheme Resolution, you will be asked to press \*1 on your keypad to raise your hand. When it is time to ask your question, the moderator will introduce you to the meeting and your line will be unmuted. If you no longer wish to ask your question, you can lower your hand by pressing \*2 on your keypad.

Please note that while you can submit questions via the online platform at any time, the Chair will only address questions at the relevant time in the meeting. Questions must be relevant to the business of today's meeting, being the approval of the Scheme. Please also note that if we receive multiple questions on one topic they may be amalgamated. But we will be very conscious to try to answer everyone's questions throughout the course of today's meeting.

Once again, if you experience any difficulties on the online platform, the helpline number is displayed at the top of the webpage. That number again is 1800 990 363 within Australia and overseas.

### HOW TO VOTE

I would also like to briefly summarise the voting procedures which apply to this meeting.

As outlined in the Scheme Booklet, the Scheme Resolution will be conducted by a poll.

Shareholders or their proxyholders, attorneys and corporate representatives are entitled to vote on the Scheme Resolution.

Shareholders had the option to appoint a proxy for today's meeting. If you did not do this, you may also vote via the online platform during the meeting using the 'Get a Voting Card' button. Instructions on how to do this are displayed on the slides now.

The Chair will vote all available proxies in favour of the Scheme Resolution and during the meeting we will display the number of proxy votes received prior to the meeting in relation to the Scheme Resolution.

After the meeting closes, your votes will be counted by our registry, Link Market Services, and the results will be lodged on the ASX as soon as available today.

I will now pass back to Gary to continue the meeting.

**GARY COX, NON-EXECUTIVE CHAIRMAN**

### OVERVIEW OF THE SCHEME

Before moving to our formal business, I would like to say a few words about the proposed scheme of arrangement. Details of the scheme of arrangement are also outlined in detail in the Scheme Booklet, which was made available to shareholders in accordance with the orders of the Supreme Court of New South Wales on or before 9 September 2021.

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If the Scheme is approved and implemented, Crayon will acquire all of the shares in rhipe held by shareholders. Eligible rhipe shareholders will receive \$2.50 cash per share less the cash amount of a special dividend of 13 cents that is intended to be paid before the Scheme is implemented.

The total cash amount offered to shareholders implies an enterprise value for rhipe of approximately 355 million dollars. It also represents a premium of 30 per cent to the one-month volume weighted average price of rhipe shares prior to the announcement of the non-binding indicative proposal from Crayon on 1 July 2021.

The special dividend is expected to be paid to shareholders on 25 October 2021. If the scheme is then implemented, shareholders will be paid a further payment of \$2.37 cash per share on the implementation date for the Scheme, which is expected to be 3 November 2021.

### REASONS TO VOTE FOR OR AGAINST THE SCHEME

The rhipe Board has identified several reasons why you might vote in favour of the Scheme and various reasons why you might vote against it. These are set out in detail in the Scheme Booklet.

In making our recommendation, the rhipe Board considered an extensive range of issues while being cognisant of our overarching responsibility to act in the best interests of all shareholders.

As previously mentioned, the cash consideration of \$2.50 per share represents an attractive premium to rhipe's recent historical trading prices. It also represents an attractive acquisition multiple, which compares favourably to comparable precedent transactions.

In addition, if the Scheme proceeds, shareholders will receive certain cash value for their investment in rhipe, which may not be achieved if the Scheme does not proceed.

### INDEPENDENT EXPERT'S CONCLUSION

The rhipe Board appointed KPMG as the independent expert to assess the merits of the Scheme. A copy of the Independent Expert's Report was included in the Scheme Booklet. The independent expert has concluded that the Scheme is in the best interests of rhipe shareholders on the basis that it is both fair and reasonable, in the absence of a superior proposal.

In particular, the independent expert assessed the fully diluted value of rhipe Shares to be in the range of \$2.42 and \$2.73 on a 100% controlling interest basis. The total cash consideration of \$2.50 per rhipe share is within this range.

Following registration of the Scheme Booklet with ASIC on 7 September 2021, rhipe was advised by the independent expert that it failed to identify, and therefore notify rhipe, that KPMG Norway is the auditor of Crayon and from time to time, KPMG Norway may also provide Crayon with certain other professional services for which normal professional fees are received.

The independent expert advised the rhipe Board that:

- the independent expert is a controlled entity of the KPMG Australia partnership group of companies;
- KPMG Australia is a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited (an English entity);
- KPMG Norway is also a member firm of the KPMG network of independent member firms;
- KPMG International Limited holds no ownership interest in any member firm, including in KPMG Australia or KPMG Norway; and

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- no ownership interests are exchanged across, and no profit share or similar agreements are in place between, any member firms of the KPMG network of independent member firms. There is no financial relationship that exists between KPMG Australia and KPMG Norway.

Further, the independent expert advised rhipe that it does not consider KPMG Norway's position as Crayon's auditor is a matter which compromises the independent expert's independence and maintains its opinion that the independent expert is independent of rhipe and its directors and all other relevant parties of the Scheme, including Crayon.

The independent expert also confirmed that there was no change to the conclusion expressed in the Independent Expert's Report and that the independent expert continued to conclude that the Scheme is in the best interests of rhipe shareholders, in the absence of a superior proposal. Accordingly, the independent expert did not provide a revision to the Independent Expert's Report.

### RECOMMENDATION OF THE RHIPE BOARD

The rhipe Board confirms that, as at the time of this meeting, no superior proposal has emerged nor is it aware of any superior proposal likely to emerge. As such, the rhipe Board unanimously recommends that rhipe shareholders vote in favour of the scheme.

Prior to this meeting, the rhipe Directors who hold or control rhipe shares have instructed that their shares held or controlled by them be voted in favour of the Scheme.

As we have previously announced, the condition precedent relating to the Australian Foreign Investment Review Board has been satisfied and therefore the Scheme is now principally conditional on two things occurring, firstly:

- shareholders passing the Scheme Resolution at this meeting; and finally,
- the Supreme Court of New South Wales approving the scheme at the Second Court Hearing.

The Scheme is also subject to other customary conditions precedent which are described in further detail in the Scheme Booklet.

The rhipe Board is not aware of any circumstances which would cause any of the outstanding conditions precedent to not be satisfied.

### IMPLEMENTATION TIMETABLE

If the Scheme is approved by shareholders today, the timetable to implement the Scheme and pay shareholders their Scheme Consideration will be as follows:

- **(Wednesday, 13 October 2021)** the Second Court Date for approval of the Scheme;
- **(14 October 2021)** the Effective Date of the Scheme and the last trading day in rhipe shares;
- **(7:00pm (Sydney time) on Monday, 18 October 2021)** the Special Dividend Record Date – all shareholders who hold rhipe shares on this date will be entitled to receive any special dividend;
- **(Monday, 25 October 2021)** the special dividend of 13 cents per share is expected to be paid;
- **(7:00pm (Sydney time) on Wednesday, 27 October 2021)** the Scheme Record Date – all shareholders who hold rhipe shares on this date will be entitled to receive the Scheme Consideration; and
- **(Wednesday, 3 November 2021)** the Scheme will be implemented, and the Scheme consideration will be paid.

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These dates are subject to satisfaction of the outstanding conditions precedent. Any changes will be announced to the ASX.

If the outstanding conditions precedent are not satisfied or the Scheme is not approved, the Scheme will not proceed and rhipe will continue as a standalone entity listed on the ASX.

### QUESTIONS

I will now respond to questions in relation to the business of the meeting that shareholders have submitted during the course of today's meeting. I will endeavour to answer your questions straight away, however I may take a question on notice if necessary.

### SCHEME RESOLUTION

I will now turn to the formal business of the meeting.

There is only one item of business before this meeting today, being the Scheme Resolution, which is set out on the screen.

For the proposed Scheme to be approved, the scheme resolution must be agreed by both a majority in number of rhipe shareholders present and voting on the resolution either in person or by proxy, and at least 75% of the total number of votes cast by rhipe shareholders (in person or by proxy) must be in favour of the scheme resolution.

### VOTING ON SCHEME RESOLUTION

I now ask shareholders to cast their vote in relation to the scheme resolution if they have not already done so, as voting will be closing shortly.

While you are finalising your votes, I will read out details of proxies received.

The proxies received in respect of the scheme resolution are now shown on the screen and are as follows:

- 81,425,019 votes in favour from 502 shareholders;
- 4,936,664 votes undirected from 81 shareholders, which I will vote in favour; and
- 103,174 votes against from 23 shareholders.

26,073 proxies from 9 shareholders abstained and are accordingly not counted when determining the outcome of the scheme resolution.

### THANK YOU

Given that some shareholders may require additional time to finalise their vote using the online platform, there will be a five-minute grace period at the conclusion of this meeting to allow shareholders to finalise their vote. A countdown timer for this five-minute grace period will display on the screen shortly.

The results of this meeting will be released on the ASX as soon as available today and will also be available on the rhipe website.

This now concludes the official business of this meeting.

Thank you all for attending – I now declare the Scheme Meeting CLOSED for all purposes, subject to the conduct and conclusion of the poll.



rhipe Limited

Scheme Meeting

11:00am (AEDT) on 11 October 2021

10/10/2021

rhipe

# Chair Address

## Mr. Gary Cox

*Non-Executive Chairman, rhip*

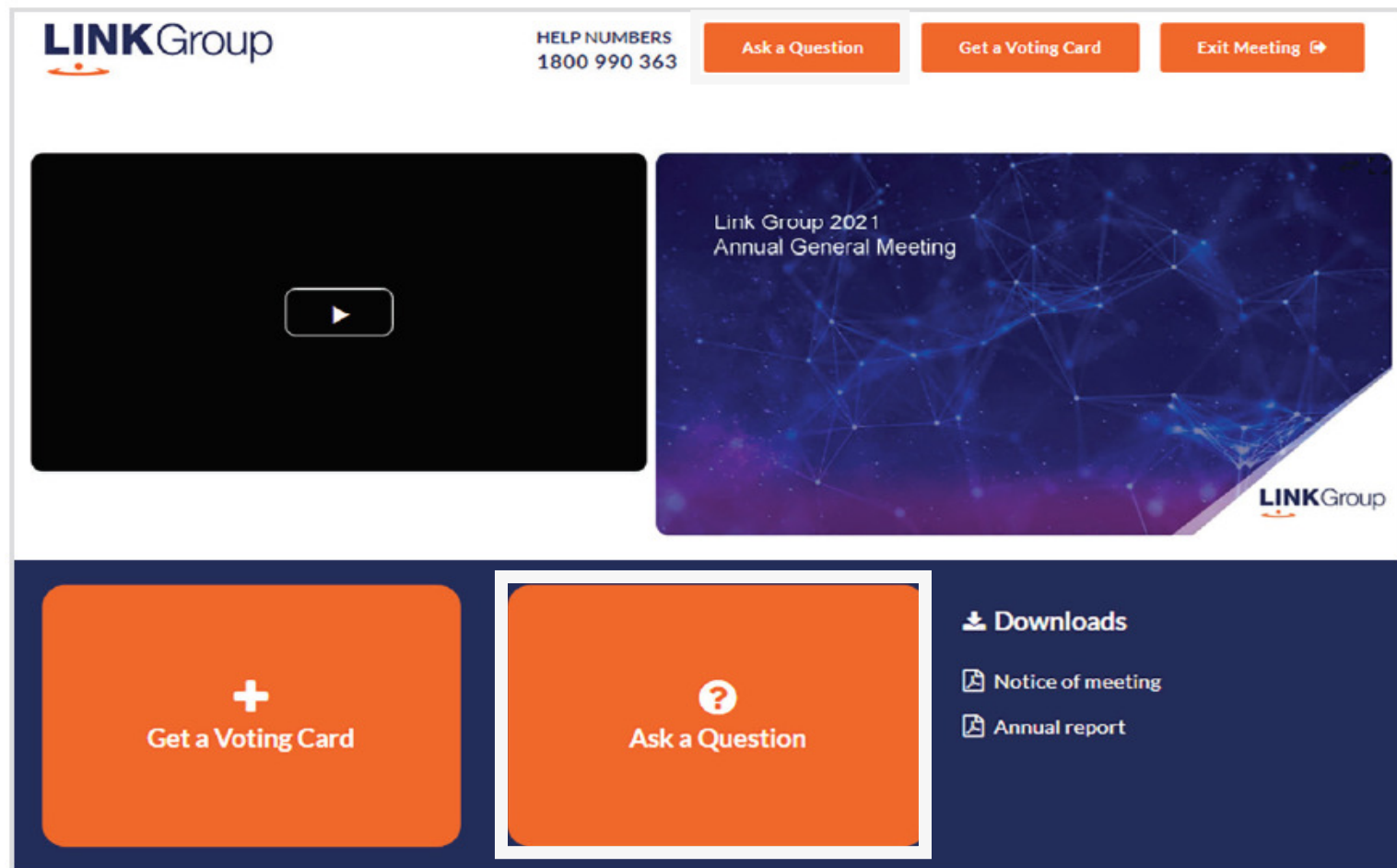
Gary Cox has over 35 years of global experience in the technology industry across the UK, USA, Asia, Japan and ANZ in senior leadership roles with Microsoft, EMC and Oracle.

Recently Gary has held both strategic consulting and board appointments for technology organisations based in Australia with a global growth focus and leveraging both his broad business management and extensive experience in cloud and managed services.





# Procedural Matters: Overview of Online Platform

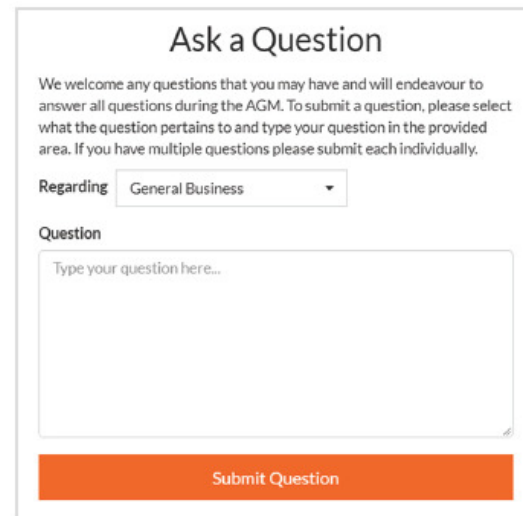


# Procedural Matters: How to ask a Question

1. To ask a question, click on the **'Ask a Question'** button either at the top or bottom of the webpage.
2. The **'Ask a Question'** box will pop up with two sections for completion (see example image to the right).
3. In the **'Regarding'** section, click on the drop down arrow and select the category for your question.
4. Click in the **'Question'** section and type your question and click **'Submit'**.
5. A **'View Questions'** box will appear where you can view your questions at any point (see example image bottom right) . Only you can see the questions your have asked.
6. If your question has been answered and you would like to submit another question, please click **'Submit Another Question'**.
7. Shareholders participating in the meeting via telephone will be able to ask questions during the meeting. You will receive instructions on how to raise your virtual hand to ask a question during the meeting via a pre-recorded message.

The chairperson of the Scheme Meeting will endeavour to address as many of the more frequently raised, relevant questions as possible during the course of the Scheme Meeting. However, there may not be sufficient time available during the Scheme Meeting to address all of the questions raised.

**Note:** If you have yet to obtain a voting card, you will be prompted to enter your shareholder number (SRN or HIN) or proxy details before you can ask a question.



**Ask a Question**

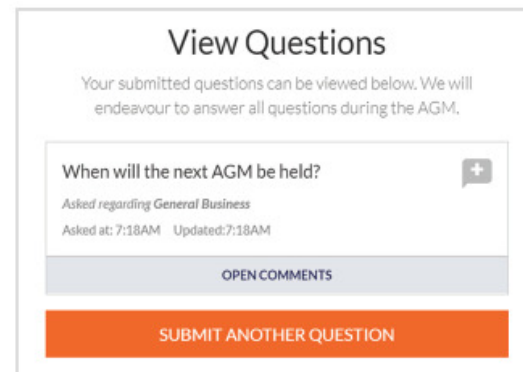
We welcome any questions that you may have and will endeavour to answer all questions during the AGM. To submit a question, please select what the question pertains to and type your question in the provided area. If you have multiple questions please submit each individually.

Regarding General Business

Question

Type your question here...

**Submit Question**



**View Questions**

Your submitted questions can be viewed below. We will endeavour to answer all questions during the AGM.

When will the next AGM be held? +

Asked regarding General Business

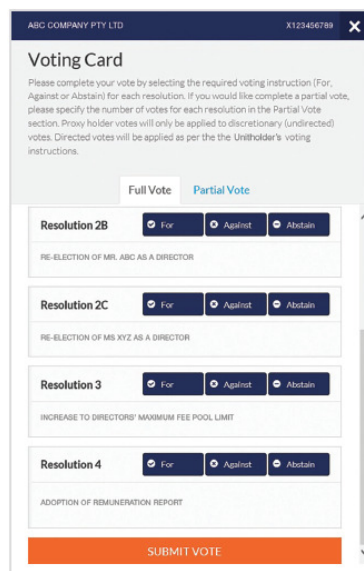
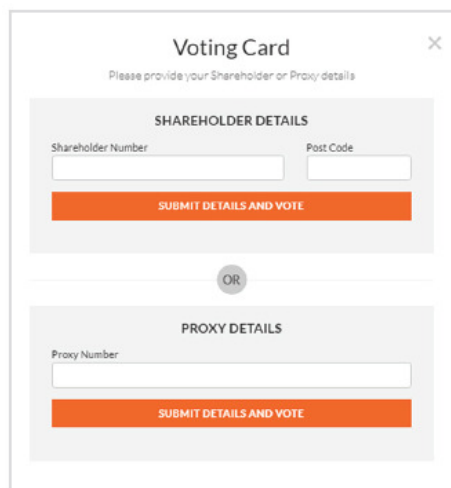
Asked at: 7:18AM Updated: 7:18AM

**OPEN COMMENTS**

**SUBMIT ANOTHER QUESTION**

# Procedural Matters: How to Vote

1. Click on the **'Get a Voting Card'** button.
2. Enter your SRN/HIN and postcode if you are an individual or joint shareholder. If you are an appointed proxy, please enter the Proxy Number issued by Link in the PROXY DETAILS section. Then click **'SUBMIT DETAILS AND VOTE'**.
3. Once you have registered, your voting card will appear with the resolution to be voted on by rhipe shareholders at the Scheme Meeting (as set out in the Notice of Meeting).



## Full Votes

To submit a full vote on the resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'** or **'Abstain'** voting buttons.

## Partial Votes

To submit a partial vote on the resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes you would like to vote for the resolution. The total amount of votes that you are entitled to vote for will be listed under the resolution.

**Note:** If you are submitting a partial vote and do not use all of your entitles votes, the unvoted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolution, scroll down to the bottom of the box, and click on the **'Submit Vote'** or **'Submit Partial Vote'** button.

**Note:** You can close your voting card without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

The voting will close when announced by the chairperson during the Scheme Meeting.

Once voting has been closed all submitted voting cards cannot be changed.



# Overview of the Scheme

**Mr. Gary Cox**

*Non-Executive Chairman, rhip*



# Questions



# Formal Business: Scheme Resolution

*That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between rhipe Limited ("rhipe") and the holders of its fully paid ordinary shares, the terms of which are contained in and more particularly described in the Scheme Booklet of which the notice convening the Scheme Meeting forms part, is approved (with or without alteration or conditions as approved by the Supreme Court of New South Wales and agreed to by rhipe) and, subject to approval of the Scheme by the Court, the rhipe Board is authorised to implement the Scheme with any such alterations or conditions.*

# Voting on Scheme Resolution

	Number of votes cast	% of votes cast	Number of shareholders	% of shareholders
For	81,425,019	94.17%	502	82.8%
Open <sup>1</sup>	4,936,664	5.71%	81	13.4%
Against	103,174	0.12%	23	3.8%
<b>TOTAL</b>	<b>86,464,857</b>	<b>100%</b>	<b>606</b>	<b>100%</b>
Abstain <sup>2</sup>	26,073	-	9	-
<b>Requisite majorities for resolution to pass</b>	<b>At least 75%</b>		<b>More than 50%</b>	

<sup>1</sup> Open proxies in favour of the Chairperson will be voted in favour of the resolution.

<sup>2</sup> Votes relation to a shareholder who abstains from voting are not counted in determining the requisite majorities.



personal use only

# Close of Scheme Meeting

Thank you!

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# rhipe

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