

# IPH Limited Board Charter

ACN 169 015 838



Revised July 2020



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# 1. Overview

## General Responsibilities

- (a) The Board is primarily responsible for establishing a corporate governance structure for the Company aimed at creating and protecting shareholder value.
- (b) The Board is also responsible for overseeing that management recognises the Company's legal and other obligations to all legitimate stakeholders. "**Stakeholders**" are groups that are likely to feel a social, environmental, economic or financial impact from the Company's actions. They include shareholders, customers, suppliers, Employees, government regulators and members of the communities where the Company operates and are affected by the Company's activities.
- (c) The Company's obligations to its stakeholders require that appropriate accountability and control systems are in place.
- (d) This Board Charter explains the Company's commitment to corporate governance. It is not an "all inclusive" document and should be read as a broad expression of principles. The Board will review this Board Charter on an annual basis.

## Corporate Governance

The Company endorses the ASX Recommendations.

# 2. Constitution

The Constitution is the Company's key governance document. The Board will use its best endeavours to ensure that it and the Company complies with the provisions of the Constitution.

# 3. Compliance with Laws

## Specific Laws

As a public company listed on the ASX, the Company must comply with the *Corporations Act 2001* (Cth) and the Listing Rules as well as all other applicable laws. Examples of applicable areas of regulation include:

- (a) *Competition and Consumer Act 2010* (Cth);
- (b) patent, trade mark and other intellectual property legislation;
- (c) legal services legislation;
- (d) anti-money laundering legislation;
- (e) employment related laws;
- (f) anti-discrimination legislation; and
- (g) taxation legislation.

## General

As a group operating in numerous jurisdictions throughout the world, the Company must use its best endeavours to be aware of and comply with all applicable laws in those jurisdictions.



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## 4. Composition of the Board

The Board is to comprise:

- (a) the Managing Director; and
- (b) at least four other Directors.

## 5. Responsibilities and Duties

### Specific Responsibilities

The Board is responsible for setting the strategic direction of the Company and monitoring the implementation of that strategy by management, including:

- (a) oversight of the Group, including its control and accountability systems;
- (b) appointing and removing the Managing Director;
- (c) appointing and removing the Company Secretary;
- (d) Board and executive management development and succession planning;
- (e) input into and final approval of corporate strategy, including defining the Company's purpose and setting its strategic objectives;
- (f) input into and final approval of the Company's statement of values and code of conduct to reflect the purpose and culture within the Company;
- (g) input into and final approval of the annual operating budget;
- (h) approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- (i) monitoring compliance with all relevant legal, tax and regulatory obligations;
- (j) reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- (k) at least annually, reviewing the effectiveness of the Company's implementation of its risk management system and internal control framework, including ensuring that relevant information is reported by management to the Board;
- (l) monitoring executive management's performance and implementation of strategy and policies, including instilling of the Company's values and assessing whether appropriate resources are available;
- (m) approving and monitoring the Company's remuneration policies to ensure they are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (n) monitoring the effectiveness of the Company's governance practices;
- (o) approving and monitoring financial and other reporting to the market, shareholders, Employees and other stakeholders; and
- (p) appointment, reappointment or replacement of the external auditor.



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## Performance

In discharging their duties, each Director must:

- (a) exercise care and diligence;
- (b) act in good faith in the best interests of the Company;
- (c) not improperly use their position or misuse information of the Company; and
- (d) commit the time necessary to discharge effectively his/her role as a Director.

## Meetings

- (a) All Directors (including Executive Directors) are entitled to be heard at all meetings and should bring an independent judgement to bear in decision-making.
- (b) Non-Executive Directors should confer regularly without Management present.

## Written Resolutions

Written resolutions:

- (a) are to be sent to all Directors;
- (b) are not to be implemented if any Director who is not excluded from voting on the resolution advises that they have any reservations about the proposed resolution (in which case the matter is to be considered at the next Board meeting); and
- (c) are not to be implemented until all of the Directors who are not excluded from voting on the resolution consent to the resolution.

## Review

At least once each year, the Directors will:

- (a) review this Board Charter, consider any amendments required to comply with the ASX Recommendations and adopt those amendments (as appropriate); and
- (b) review the Board's performance during the previous 12 months.

# 6. Committees

## Established Committees

To assist the Board in fulfilling its duties and responsibilities, it has established three Committees:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee; and
- (c) Risk Committee.

## Charters

Each Committee has a formal charter and has been granted certain delegations.



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## Reporting

Each Committee has an obligation to report on its meetings to the Board and minutes of all Committee meetings are to be made available to all Directors.

## Audit Committee

The Audit Committee assists the Board in relation to financial reporting and audit, including:

- (a) the integrity of the Group's financial reporting;
- (b) oversight of the independence of the external auditor; and
- (c) the effectiveness of the Group's financial management and control framework,
- (d) and provides strategic financial management leadership, oversight and analysis to the Board.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in relation to:

- (a) remuneration matters including:
  - i. the remuneration and incentive framework;
  - ii. recommendations in relation to:
    - A. remuneration for Directors;
    - B. remuneration packages to be awarded to Senior Executives;
    - C. equity-based remuneration plans for Senior Executives and other Employees;
    - D. superannuation arrangements for Directors, Senior Executives and other Employees; and
    - E. whether there is any gender or other inappropriate bias in remuneration for Directors, Senior Executives or other Employees; and
  - iii. strategic human resources policies; and
- (b) nomination matters including:
  - i. Board appointments, re-elections and performance;
  - ii. Directors' induction programs and continuing development;
  - iii. Committee membership;
  - iv. endorsement of Senior Executive appointments; and
  - v. diversity obligations.

## Risk Committee

The Risk Committee assists the Board in relation to fulfilling its corporate governance responsibilities in regard to risk management for the Group, including:

- (a) risk appetite and risk management framework;
- (b) risk policies, systems, processes and controls; and



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- (c) the effectiveness of the Group's risk management framework.

## 7. The Chairman

### Prohibitions

The Chairman:

- (a) is not to exercise the role of Managing Director of the Company; and
- (b) is not to have previously held the position of Managing Director of the Company.

### Responsibilities

The Chairman is responsible for:

- (a) leadership of the Board;
- (b) overseeing the Board in the effective discharge of its supervisory role;
- (c) the efficient organisation and conduct of the Board's function and meetings;
- (d) facilitating the effective contribution of all Directors;
- (e) briefing of all Directors in relation to issues arising at meetings;
- (f) the promotion of constructive and respectful relations between Board members and between the Board and management;
- (g) committing the time necessary to discharge effectively their role as Chairman; and
- (h) scheduling regular and effective evaluations of the Board's performance.

## 8. Directors

### Independence

- (a) Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the Board table free of concern about their position or the position of any third party. The Board does not believe it is possible to draft a list of criteria which are appropriate to characterise, in all circumstances, whether a Non-Executive Director is independent. It is the approach and attitude of each Non-Executive Director which is critical, and this must be considered in relation to each Director while taking into account all other relevant factors, which may include whether the Non-Executive Director:
  - i. is a substantial shareholder or an officer of, or otherwise associated directly with, a substantial shareholder;
  - ii. within the last three years has been employed in an executive capacity by any member of the Group, or has been a director after ceasing to hold any such employment;
  - iii. within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Group;



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- iv. within the last three years has been a principal of a material professional adviser or a material professional consultant to any member of the Group, or an employee materially associated with the service provided - for this purpose a material professional adviser/consultant is an adviser whose billings to the Group exceed 5% of the total revenues of the adviser/consultant;
  - v. is a material supplier to, or material customer of, any member of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer (for this purpose a material supplier to the Group means a supplier whose revenues from the Group exceed 5% of the supplier's total revenues and a material customer is a customer whose payments to the Group exceed 5% of the customer's operating costs);
  - vi. has a material contractual relationship with any member of the Group other than as a Director; and
  - vii. has any interest or business or other relationship which could materially interfere with the Director's ability to act in the best interests of the Company and independently of Management
- (b) Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
  - (c) The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chairman immediately if they believe they may no longer be independent. Should the Chairman or any other Director have any concern about the independence of a Director, they must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
  - (d) Should the Chairman have any concern about his or her own independence, he or she must immediately raise the issue with the other Non-Executive Directors.
  - (e) Each Director (other than the Chairman) must immediately disclose to the Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
  - (f) The Chairman must immediately disclose to the other Non-Executive Directors (with a copy to the Company Secretary) all information relevant for determining whether the Chairman is independent, including details of entities in which the Chairman has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
  - (g) In the preparation of the agenda for each Board meeting, the Chairman and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant papers) from any Director because of a potential or actual conflict. If the Chairman decides to withhold part or all of an agenda item from a Director, they must advise the Director at the time of dispatch of the relevant Board paper.
  - (h) Directors are to inform the Chairman or, in the case of the Chairman, the other Non-Executive Directors, prior to accepting any new appointment to any entity's board.



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## **Access to Information, Independent Advice and Continuing Development**

- (a) Management must provide the Board and Committees with information in a form, timeframe and quality that enables them to effectively discharge their responsibilities and duties. Directors are entitled to request and receive copies of Committee papers.
- (b) Directors are entitled to request and receive such reasonable additional information as they consider necessary to support informed decision-making. Any Director may, with the prior approval of the Managing Director or the Company Secretary, seek any information they require from any Employee and all Employees must comply with such requests. Any significant issues raised by a Director are to be communicated to the Chairman, Managing Director or Company Secretary.
- (c) Any Director may, with prior approval of the Chairman, take such independent legal, financial or other advice as they consider necessary at the Company's cost.
- (d) The Board should understand the Group structure and operations and key developments affecting the Group and may receive periodic presentations to assist in achieving such an understanding.

## **Appointment and Removal of Directors**

- (a) The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Group as a whole rather than of individual shareholders or other stakeholders.
- (b) The Nomination and Remuneration Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.
- (c) A new Director will receive a formal letter of appointment setting out the key terms and conditions relative to the appointment.

## **Director Protection Deeds**

- (a) The Constitution indemnifies each Director to the fullest extent permitted by law.
- (b) Each Director is entitled to a director protection deed which shall include provisions relating to:
  - i. access to Board papers;
  - ii. indemnity by the Company; and
  - iii. the maintenance of directors' and officers' insurance.

## **The Managing Director**

- (a) The Managing Director is responsible for the day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- (b) The Managing Director is to have a formal executive services agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.
- (c) At each meeting where the Board approves the half-year and full-year financial statements, the Managing Director must provide the Board with a written declaration (together with an equivalent declaration from the Chief Financial Officer) which includes a declaration whether, in the Managing Director's opinion:





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- i. the financial records of the Company and the entities who are consolidated for financial reporting purposes (Reporting Entity) for the relevant reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
  - ii. the Reporting Entity's financial statements and the notes referred to in sections 295(3)(b) or 303(3) of the Corporations Act for the relevant reporting period comply with the accounting standards;
  - iii. the financial statements and notes for the reporting period give a true and fair view of the financial position and performance of the Reporting Entity;
  - iv. the declaration set out in paragraph (c)(iii) above is founded on a sound system of risk management and internal control which, in all material respects, implements the policies adopted by the Board; and
  - v. the Company's risk management and internal control system is operating effectively in all material respects.

## **Management**

The role of Management is to implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

### **The Company Secretary**

The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable to the Board through the Chairman and the Managing Director.

The Company Secretary is responsible for:

- (a) organising Board meetings and Director attendance;
- (b) monitoring compliance with Board policy and procedures;
- (c) coordinating the completion and dispatch of the Board agenda and briefing materials;
- (d) preparing minutes of meetings and resolutions of the Board and taking these to the Chairman for approval and circulation;
- (e) circulating minutes from Committee meetings to the Board; and
- (f) IPH's compliance with its requirements under the Corporations Act regarding registered office, and annual returns and notices to be lodged with the Australian Securities and Investments Commission.

## 9. Policy Framework

### **Policy Framework**

The Board oversees the Company's policy framework, including key Company policies. The Company policy framework includes the Statement of Values, the Code of Conduct and other significant policies recommended by the ASX Recommendations.



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## Statement of Values

- (a) The Statement of Values sets out the guiding principles and norms that inform the purpose of the Company and which are expected from all Directors, officers, Employees, consultants and any other person when they represent the Group.
- (b) The values set out in the Statement of Values permeate through the Group and are important in protecting the Company's reputation and standing in the community as an entity that acts responsibly, lawfully and ethically.

## Code of Conduct

- (a) The Code of Conduct is to be observed by all Directors, officers, Employees, consultants and any other person when they represent the Group.
- (b) The Code of Conduct deals with compliance in the following areas of conduct:
  - i. acting in the Company's best interests;
  - ii. honesty and integrity;
  - iii. treatment of others;
  - iv. conflicts of interest;
  - v. privacy and confidentiality; and
  - vi. improper payments, benefits or gains.

## Investor Relations Program

- (a) The Company will establish an Investor Relations Program, designed to promote effective two-way communication with shareholders and encourage effective participation at general meetings.
- (b) Shareholders are encouraged to contact the Company's share registry to arrange the direct receipt of shareholder materials.
- (c) As part of an effective shareholder communications strategy, the Company will:
  - i. maintain and keep current corporate governance information on its website; and
  - ii. make available via its website, materials presented at significant investor briefings
- (d) As part of the Company's continuous disclosure obligations, the Company must provide commentary on its financial results to enhance the clarity and balance of the report. This commentary should include information needed by a sophisticated investor to make an informed assessment of the Company's activities and results.
- (e) The Annual Report is to include a corporate governance statement which will contain the content required by the ASX Recommendations (as well as an explanation of any departures from the ASX Recommendations).
- (f) The Company generally adopts the ASX Recommendations for notices of meetings.

## Continuous Disclosure Policy

- (a) The Company has established a Continuous Disclosure Policy, to support compliance by the Company with its continuous disclosure obligations that arise under the Listing Rules.



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- (b) As part of this Continuous Disclosure Policy, Senior Executives are required to immediately advise the Managing Director, the Chief Financial Officer or the Company Secretary of material information that may need to be disclosed, and the Managing Director and Chief Financial Officer, in consultation as required with the Board, will make a decision concerning disclosure of the information and the terms of the disclosure.

### **Risk Management Policy**

- (a) The Company has established a Risk Management Policy, designed to establish a process for risk management procedures and internal control of major risks.

### **Diversity Policy**

- (a) The Company has established a Diversity Policy, designed to promote the creation of an environment throughout the group in which equity and diversity are recognised as being essential to the high performance of the group and incorporated into the group's day to day business.
- (b) Key principles of this Diversity Policy include:
  - i. taking steps to attract and retain well qualified employees, senior management and Board members from a deep talent pool;
  - ii. eliminating artificial, unfair and inappropriate barriers to workplace and Board participation and facilitating equal employment opportunities based on merit, performance and potential;
  - iii. taking action against inappropriate workplace behaviours including discrimination and harassment;
  - iv. providing the opportunity for workplace flexibility when meeting business requirements; and
  - v. creating an inclusive workplace culture, recognising that people are different and valuing those differences.

### **Share Trading Policy**

- (a) The Company has established a Share Trading Policy, which is designed to establish a best practice procedure in relation to dealings in the Company's shares by Directors, officers and employees.
- (b) As part of this Share Trading Policy, Directors, officers and employees may only buy or sell Company shares during certain periods set out in the policy. The Share Trading Policy contains other relevant restrictions.

## **10. External Auditor**

The external auditor must attend the Annual General Meeting and must be available to answer questions about:

- (a) the conduct of the audit;
- (b) the preparations and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the external auditor in relation to the conduct of the audit.





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