



Board and Governance Charter

IPD Group Ltd (ACN 111 178 351) (Company)

Adopted by the Board **26 October 2021**

IPD Group Limited
ABN 12 111 178 351

HEAD OFFICE
43 Newton Road, Wetherill Park, NSW, 2164
PO Box 6422, Wetherill Park, NSW, 1851
Tel: (02) 9645 0777
Fax: (02) 9645 1608

CUSTOMER SERVICE, SALES & TECHNICAL SUPPORT
Tel: 1300 556 601 Fax: 1300 550 187
www.ipd.com.au

1. Role of the Board

The Board is responsible for the overall performance of the Company and accordingly takes accountability for monitoring the Company's business and affairs and setting its strategic direction, establishing policies and overseeing the Company's financial position and performance.

The Board has overall responsibility for:

- (a) approving and monitoring the Company's strategy, business performance objectives and financial performance objectives;
- (b) overseeing and monitoring the establishment of systems of risk management by approving risk management policies, operational risk policies and procedures (including policies relating to health, safety and injury management) and systems of internal controls; and
- (c) monitoring compliance with legal and regulatory requirements, ethical standards and external commitments and, generally, safeguarding the reputation of the Company.

2. Responsibility of the Board

2.1 Corporate Governance Principles and Recommendations

Amongst other things, the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations" (**ASX Recommendations**) recommend that the Company has formal and rigorous processes for:

- (a) addressing 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 (**Nomination**);
- (b) setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive (**Remuneration**);
- (c) independently verifying and safeguarding the integrity of its corporate reporting, including a process for the appointment and removal of the external auditor and the rotation of the audit engagement partner (**Reporting**); and
- (d) setting a risk appetite and overseeing the entity's risk management framework (**Risk Management**).

The Board has established standing committees to assist the Board in the manage these specific processes.

2.2 Board responsibilities

In observing its role the Board is also specifically responsible for the following matters:

- (a) providing leadership and setting the strategic objectives of the Company;
- (b) appointing the Chairperson and any deputy Chairperson;
- (c) ensuring the Company is properly managed by overseeing the appointment and where appropriate the removal of the Chief Executive Officer, the Company Secretary, the Chief Financial Officer and other senior management;
- (d) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (e) implementing and monitoring all capital budgets and annual financial budgets;
- (f) monitoring the financial performance of the Company;
- (g) approving and monitoring financial and other reporting, including the annual and half yearly financial reports;
- (h) reviewing procedures and practices employed in relation to health, safety and the environment and to assess their adequacy;
- (i) monitoring the Company's continuous disclosure policy and procedures;
- (j) approving and monitoring all public statements or media releases made that relate to the Company's performance or forecasts;
- (k) convening meetings in accordance with the Company's constitution;

- (l) conducting regular reviews of the Company's corporate governance policies and practices, particularly the Company's risk management framework and policies (and associated risk appetite), and other policies and practices that must change as a result of the growth of the company;
- (m) regularly liaising with the Company's auditors;
- (n) approving the Company's code of conduct and monitoring the Company's operations in accordance with the principles set out in the code of conduct;
- (o) challenging management and the Chief Executive Officer, where required, to ensure that management is held to account;
- (p) ensuring that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (q) ensuring that a performance evaluation process is undertaken to review the performance of the Board and of its committees, individual directors and the Chairperson, and senior executives at least once every year;
- (r) where required, considering and if appropriate approving any significant changes to the organisational structure of the Company;
- (s) approving the acquisition, establishment, disposal or cessation of any significant assets of the Company;
- (t) approving the amount, nature and term of the Company's debt facilities;
- (u) approving the issue of any shares, options, equity instruments or other equity securities in the Company; and
- (v) approving the Company's dividend policy and the payment of dividends.

The Board must convene regular meeting with such frequency as is sufficient to appropriately discharge its duties and responsibilities.

3. Delegation of authority

3.1 Delegation to committees

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

The Board will establish committees to assist the Board in the exercise of its authority. Each committee will be comprised of individuals that the Board considers best suited to fulfil the role of each committee.

All Committees will:

- (a) have at least three members; and
- (b) Consist of a majority of independent Directors.

Each committee will have access to sufficient resources to carry out their activities effectively.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committees. There are currently 2 standing committees

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

The Audit and Risk Committee has been established to assist the Board with Reporting and Risk Management functions. The Nomination and Remuneration Committee has been established to assist the Board with Nomination and Remuneration functions.

The Board may establish other committees from time to time to consider other matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chairman of each committee will report on committee meetings to the Board at the next full Board meeting.

3.2 Delegation to the Chief Executive Officer and management

The Board delegates to the Chief Executive Officer the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those reserved to the Board and its committees under their charters or under specific limitation or guidance from the Board.

The Board may impose further specific limits on Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time.

The Chief Executive Officer has authority to delegate to the senior management team who are responsible for:

- (a) implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company; and
- (b) providing the Board with information to enable the Board to perform its responsibilities.

From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

4. Composition and structure of the Board

The Board will determine the appropriate size and composition of the Board (including the Chairperson).

The Board will review the skills of directors on the Board to determine whether the composition and mix of those skills remain appropriate for the Company's strategy.

4.1 Independence

The Board will always include one or more independent Directors.

The Board considers an independent Director to be a non-executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director.

In assessing independence, the Board will have regard to the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The independence of Directors will be assessed annually or as soon as practicable after there is a change in circumstances in respect of a Director which may affect their independence.

4.2 Conflicts

If a Director has a material personal interest in a matter that relates to the affairs of the Company, or a situation has arisen where the Director's duty to the Company conflicts with a duty to another person, the Director will act in accordance with the Company's Constitution, any applicable policy of the Company and any applicable law.

Where necessary, the Company Secretary will implement appropriate procedures designed to ensure that the interests of the Company are protected and the Director acts in accordance with his or her legal obligations.

4.3 Code of Conduct

Each Director will comply with the Company's Code of Conduct (having regard to the Director's role as either an executive or non-executive Director).

5. The Chairperson

The Board will elect an independent Director to the office of Chairperson.

The Chairperson is responsible for leadership of the Board, for the orderly conduct of business at Board meetings and for keeping all directors aware of Board issues. In fulfilling this role, the Chairperson will:

- (a) ensure the efficient organisation and conduct of the Board's functions;
- (b) facilitate the effective contribution of all Directors;
- (c) promote constructive and respectful relations between Directors and between the Board and management;
- (d) be responsible for ensuring that the principles and processes of the Board are maintained;
- (e) review the agenda for each meeting prepared by the Company Secretary or the Chief Executive Officer (any Director may request that an item be added to the agenda);
- (f) report to the Board and the committees of the Board as appropriate on decisions and actions taken between Board or committee meetings; and
- (g) chair general meetings of the Company.

The Chairperson has authority to act and speak for the Board between its meetings, including engaging with the Chief Executive Officer.

6. The Chief Executive Officer

The Chief Executive Officer is responsible for managing the affairs of the Company under the delegated authority from the Board and to implement the policies and strategy set by the Board. The Chief Executive Officer is responsible for delivering timely and accurate information to the Board.

The Chief Executive Officer and senior executives must operate in accordance with the Board's approved policies and delegated limits of authority.

7. Chief Financial Officer

The Chief Financial Officer or equivalent employee must have the necessary training, expertise and experience sufficient to administer and manage the financial affairs and records of the Company.

The Chief Financial Officer will state in writing to the Audit and Risk Committee that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards at the end of every financial year before the board approve the financial statements to be released.

8. Management

The role of management is to support the Chief Executive Officer. Management is required to report directly to the Chief Executive Officer, however if the matter concerns the Chief Executive Officer, management is required to report to the Chairperson.

9. Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary's advice and services shall be available to all Directors and committees of the Board.

The Company Secretary will develop and maintain the information systems and processes that are appropriate for the Board to fulfil its role.

10. Independent professional advice

The Board collectively, and each director individually, may obtain independent professional advice at the Company's expense, as considered necessary to assist the Board and directors in fulfilling their relevant duties and responsibilities.

Individual directors who wish to obtain independent professional advice, as contemplated by this provision, should seek the approval of the Chairperson (acting reasonably), and will be entitled to reimbursement of all reasonable costs in obtaining such advice. In the case of a request made by the Chairperson, approval is required by the chair of the Audit and Risk Committee of the Company.

11. Administration

The Board will review this charter from time to time. This charter may be amended by resolution of the Board.