



## ASX Governance Principles and ASX Recommendations

The Australian Securities Exchange Corporate Governance Council sets out best practice recommendations, including corporate governance practices and suggested disclosures, under the Council's Corporate Governance Principles and Recommendations, 4<sup>th</sup> Edition (**ASX Recommendations**). ASX Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the ASX Recommendations and to give reasons for not following them.

Unless otherwise indicated the ASX Recommendations, including corporate governance practices and suggested disclosures, have been adopted by Imdex Limited (**IMDEX or Company**) for the full year ended 30 June 2023. In addition, the Company has a Corporate Governance section on its website: [www.imdexlimited.com](http://www.imdexlimited.com) (under the "About Us" heading) which includes the relevant documentation suggested by the ASX Recommendations.

IMDEX's Corporate Governance Statement (**Statement**) for the financial year ending 30 June 2023 was approved by the Board of IMDEX Limited (**Board**) on 22 August 2023. This statement discloses the extent to which IMDEX has complied with the ASX Recommendations during the year ended 30 June 2023. IMDEX's main corporate governance practices in place are set out below.

## Principle 1: Lay solid foundations for management and oversight

### (i) Roles and Responsibilities of Board and Management

The Board has implemented a Board Charter that formalises the functions and responsibilities of the Board. Matters specifically reserved to the board are set out in the charter. The charter is published on the Company's website (ASX Recommendation 1.1).

The Board delegates day to day management of the business and operations of the Company to the Chief Executive Officer (**CEO**) and the executive team in accordance with the Company's Delegation of Authority Policy and Guidelines. The corporate governance policies, charters and procedures have been updated during this financial year to reflect changes in the law and developments in IMDEX's corporate governance structure and practices.

### (ii) Procedure for the selection and appointment of new Directors to the Board

The Company has published on its website, procedures for the selection and appointment of new Directors to the Board. The Company also has terms and conditions which govern the appointment of Non-Executive Directors. These are subject to the Company's Constitution and the Corporations Act 2001, and cover appointment and retirement of Directors, corporate governance, remuneration, Board meetings and Board Committees.

Under the Company's Constitution and the ASX Listing Rules each Director must retire by rotation within a three- year period following their appointment. In such cases, the Director's nomination for re-election should be based on performance and the needs of the Company.

The Board undertakes appropriate checks and due diligence before appointing directors and executives. The Board also endeavours to provide IMDEX shareholders with all material information relevant to the decision regarding whether to appoint or re-appoint a Director (ASX Recommendation 1.2).



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All Directors are subject to a written agreement which sets out the terms of their appointment (ASX Recommendation 1.3).

## *(iii) Company Secretary*

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including:

- advising on governance matters;
- administration of the Board, including the development of agendas, distribution of papers, minute taking and organisation of meetings;
- lodgement of documents, reports and releases to ASIC and the ASX; and
- overseeing IMDEX's coordination with its share registry (ASX Recommendation 1.4). Mr Michael

Tomasz was appointed Company Secretary of IMDEX on 24 May 2021.

## *(iv) Diversity*

The Company has adopted a Diversity Policy to guide the Company's employees and Board in developing and achieving its diversity objectives. The full policy is published on the Company's website (ASX Recommendation 1.5).

The Company values diversity among its workforce and seeks to employ, retain and develop employees for the long term, assisting in their development and the development of the culture and values of the Company. This is done by promoting the value of different perspectives, ideas and benefits brought by engaging employees from all available talent.

The Company seeks to develop a culture of diversity within the Company whereby a mix of skills and diverse backgrounds are employed by the Company at all levels. The Company strives to:

- develop and maintain a diverse and skilled workforce through transparent recruitment processes;
- promote an inclusive workplace culture that values and utilises the contributions of all employees' backgrounds, experiences and perspective through improved awareness of the benefits of workforce diversity; and
- facilitate diversity in the workplace by developing programs that promote growth for all employees, so each employee may reach their full potential, and providing maximum benefit for the Company; and
- set measurable objectives to encourage diversity within the Company.

As at 30 June 2023:

- of the Board positions, three (60%) were held by males, and two (40%) were held by females.
- of eight senior executive\* positions, six (75%) were held by males, and two (25%) were held by a female.
- of 865 employees, 678 (78%) were male and 187 (22%) were female.

\*Senior executives are defined as being persons having accountability directly to the CEO.

## *(v) Evaluating Performance*





Board performance is measured primarily by means of monitoring Group profitability and share price performance in the market. However, the Board also has responsibility for overseeing management in instilling the Company's values and ensuring the remuneration framework is aligned with the Company's purpose, values and strategic objectives, and risk appetite. Individual Director performance is also measured by way of monitoring meeting attendance and individual contributions made at these meetings.

The Chairperson meets annually with each Non-Executive Director separately to discuss individual contribution to the Board, overall board dynamics and opportunities for improvement. All Board members meet to undertake a group collective review and discussion such that every member is given the opportunity to provide feedback to the Chairperson and each other member.

The Chairperson is an independent Director and provides regular and ongoing feedback to each individual Director in regard to their performance and the Board members are encouraged to provide each other with feedback on an informal and ongoing basis and to maintain an open and transparent dialogue with respect to all communications.

During the reporting period the performance of the Board was evaluated in accordance with this process (ASX Recommendation 1.6).

The performance of senior executives is measured against prescribed criteria as set by the Remuneration and Nomination Committee. These criteria are set, and individual performance is assessed, annually. A review of senior executives' performance was conducted in the reporting period (ASX Recommendation 1.7).

## **Principle 2: Structure the Board to be effective and add value**

### *(i) Board Remuneration and Nomination Committee*

The Remuneration and Nomination Committee consists of three Non-Executive Directors and assists the Board to:

- address succession issues;
- ensure that they have the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively;
- determine executive remuneration policy,
- determine the remuneration of Executive Directors; and
- review and approve the remuneration of the executive team.

The Remuneration and Nomination Committee operates under a written charter that is published on the Company's website.

An independent Director chairs the Remuneration and Nomination Committee. The Company Secretary acts as secretary of the Remuneration and Nomination Committee (ASX Recommendation 2.1)

The members of the committee during the year and at the date of this Statement were:

- Mr A Wooles;
- Ms T Arlaud; and
- Mr I Gustavino.

The experience and qualifications of each member and details of meeting attendance are set out in the Directors' profiles in the 2023 Annual Financial Report (**Annual Report**).



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## (ii) Board Skills Matrix

The Board seeks to have an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities and add value to the Company.

The following table sets out the mix of skills and experience the Board considers necessary or desirable and the extent to which they are represented on the current Board and its Committees.

Skills and Experience	Number of Directors with that skill (out of 5)
<b>Leadership</b> – organisational, including senior executive leadership experience	5
<b>Financial acumen</b> – senior experience in finance, including in financial accounting and reporting	5
<b>Governance</b> - experience with governance in the listed sector	5
<b>Human resources</b> – senior experience in people management and human resources policy	5
<b>Industry</b> – experience in the mining, equipment, technology and services industry	5
<b>Digital Technology/Innovation</b> - experience in transforming business models and processes including in relation to technology and digital platforms	2
<b>Strategy</b> – experience in developing and implementing strategic business plans	5

## (iii) Board Structure

At 30 June 2023 the Board consisted of a Non-Executive Chair, and four Non-Executive Directors. Of the five Board members at 30 June 2023, all five are considered independent (ASX Recommendations 2.4 and 2.5).

In accordance with the Company's Constitution the minimum number of Directors is three. There is no maximum number, although it would be expected that the optimal number of Directors would be five or six.

The names of the Directors of the Company in office at the date of this Statement and further details concerning the skills, experience and expertise of each Director are set out in the Annual Report.

## (iv) Board Independence

Directors are expected to bring independent judgement to the decision making of the Board. To facilitate this, each Director has the right to seek independent legal advice at the Group's expense with the prior approval of the Chairperson, which may not be unreasonably withheld.

In assessing Director independence, materiality has been determined from both a quantitative and qualitative perspective. An amount of over 5% of turnover is considered material. Similarly, a transaction of any amount, or a relationship, is deemed material if knowledge of it impacts, or may impact, the Shareholders' understanding of the Director's performance. The Board has conducted a review of each Director's independence and reports as follows;



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Director	Length of Service as at 30 June 2023	Assessment	Existence of any matters contained in ASX Recommendation 2.1 affecting Independence
Mr A Wooles, Non-Executive Chairman	7 years	Independent	Nil
Ms S Layman, Non-Executive Director	6.5 years	Independent	Nil
Mr I Gustavino Non-Executive Director	8 years	Independent	Nil
Ms T Arlaud Non-Executive Director	2.5 years	Independent	Nil
Mr U Airhiavbere Non-Executive Director	6 months	Independent	Nil

(ASX Recommendation 2.3)

## (v) Induction and Training

The Company has a program for inducting new Directors which includes providing all new Directors with an induction pack which ensures that they understand the Company's financial position, strategies, operations, culture, values and risk management policies. It also sets out the respective rights, duties, responsibilities and roles of the Board and senior executives and the Board committees. Additionally, all new Directors are encouraged to meet with other Directors, senior executives and senior managers to gain insight into relevant operational and corporate matters.

Directors are offered ongoing professional development and training programs to enable them to develop and maintain their skills and knowledge. In addition, each new Director is provided with a letter of appointment setting out the key terms of their appointment (ASX Recommendation 2.6).

## Principle 3: Act ethically and responsibly and instil the desired culture

### (i) Values

The Company's values are disclosed on their website (ASX Recommendation 3.1).

### (ii) Code of Conduct

Both the Board and the Company's employees are expected to maintain the highest level of corporate ethics and personal behaviour. The Company's Code of Conduct (**Code**) provides all of its employees with an ethical and legal framework for their decisions and actions in relation to the conduct of their employment by establishing the minimum standard of conduct expected. The Code is located on the Company's website (ASX Recommendation 3.2).

The Code provides guidance to employees on carrying out their duties and includes:

- acting ethically, honestly and with integrity;
- ensuring work is carried out efficiently, economically and effectively; and



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- following the policies of the Company and encouraging fellow employees to exercise similar qualities of personal and professional integrity as those outlined in the Code.

The Code provides clear directions on conducting business internationally, interacting with governments, communities, and general workplace behaviour having regard to the best practice corporate governance models and is available on the Company's website under the "Corporate Governance" section.

All employees are expected to be familiar with and understand the Code and complete training regarding the key areas on an annual basis.

#### *(iii) Whistleblower Policy*

IMDEX has a "Speak Up" policy which is disclosed in full on its website (ASX Recommendation 3.3). The Speak Up policy is designed to support the Code and encourages all employees to ask questions, query, and report actual or suspected violations of the Code or other IMDEX Policies without fear of retribution.

#### *(iv) Anti-Bribery and Corruption Policy*

The Company's Anti-bribery and Corruption Policy sets out IMDEX's requirements for business conduct and provides information on how to recognise and respond to bribery and corruption. Compliance with the Policy supports legitimate engagements; promotes economic development and good governance; and protects against significant legal, financial, safety and reputational risks. The policy is disclosed in full on the Company website (ASX Recommendation 3.4).

All employees are expected to be familiar with and understand the Anti-Bribery and Corruption Policy and complete relevant training on an annual basis.

#### *(v) Conflicts of Interest Certification*

In addition to annual training in regard to key policies, all employees are required to complete a Conflicts of Interest Certification annually. This involves employees completing a conflict of interest declaration and updating this declaration if their circumstances change.

## **Principle 4: Safeguard integrity in corporate reporting and produce corporate reports of high quality and integrity**

#### *(i) The Audit, Risk and Compliance Committee*

The Audit, Risk and Compliance Committee (ARC Committee) consists of three independent Non-Executive Directors and operates under a formal charter approved by the Board. The charter is published on the Company's website.

The ARC Committee is chaired by an independent Chairperson who is not the Chair of the Board (ASX Recommendation 4.1).

The role of the ARC Committee is to advise on the establishment and maintenance of a framework of internal control, risk management protocols, appropriate ethical standards for the management of the Company and to approve the annual internal audit plan. It also gives the Board assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies for inclusion in Financial Statements.

The members of the ARC Committee during the year and at the date of this Statement were:

- Ms S Layman;
- Mr U Airhiavbere and
- Mr A Wooles





The experience and qualifications of each member and details of meeting attendance are set out in the Annual Report. The Company Secretary acts as secretary of the ARC Committee.

*(ii) Statement by the Chief Executive Officer and Chief Financial Officer*

The Chief Executive Officer and the Chief Financial Officer have signed a declaration to the Board attesting to the fact that the Annual Report presents 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 (ASX Recommendation 4.2).

*(iii) Periodic Corporate Reports*

From time to time, the Company releases periodic corporate reports which are not subject to review or audit by external auditors. One example is the Sustainability Report. Such reports are subject to review by all relevant internal stakeholders to ensure that the information is accurate. All periodic reports are also subject to approval from the Board or a Board Committee before release and this approval process includes confirmation from management to the Directors that the relevant report has been reviewed and is accurate.

## **Principle 5: Make timely and balanced disclosure**

*(i) Continuous disclosure policies and procedures*

The Company has a Continuous Disclosure Policy in place to ensure that it complies with the disclosure requirements of the ASX Listing Rules. The policy is published on the Company's website (ASX Recommendation 5.1).

The policy sets out who is responsible for determining whether information is of a type or nature that requires disclosure, the Board's role in reviewing the information disclosed to the ASX and the procedures for ensuring that the information is released to ASX.

In accordance with the policy, the Company Secretary ensures that:

- all information disclosed to the ASX is published on the Company's website as soon as practicable;
- all new investor and analyst presentations are released to ASX ahead of the presentation; and
- the Board receives copies of all material market announcements promptly after they have been made (ASX Recommendations 5.2 and 5.3).

## **Principle 6: Respect the rights of Shareholders**

*(i) Company Website*

IMDEX maintains a website which includes:

- a corporate governance landing page where all relevant corporate governance information for the Company can be accessed; and
- detailed information concerning the Company, its operations and history (ASX Recommendation 6.1).

*(ii) Shareholders Communications Policy*

The Company has established a Shareholder Communications Policy which is published on the Company's website. The policy sets out how:





- IMDEX facilitates effective two-way communication with investors (ASX Recommendation 6.2); and
- Shareholders can communicate with, and receive communications from, IMDEX electronically (Recommendation 6.4).

*(iii) Shareholder Meetings*

The Shareholder Communications Policy also sets out how the Company facilitates and encourages participation at meetings of shareholders (ASX Recommendation 6.3). Since 2020 all substantive resolutions considered at shareholder meetings have been decided by a poll rather than by a show of hands. (ASX Recommendation 6.5).

## **Principle 7: Recognise and manage risk**

*(i) Audit, Risk and Compliance Committee*

As set out above in section 4, the Board has an Audit, Risk and Compliance Committee (ARC Committee) to oversee risk.

*(ii) Risk oversight and management policies*

The Board has sought to minimise the business' risks by focusing on the Company's core business. The Board is responsible for ensuring that the Company's risk management systems are adequate and are operating effectively and within the risk appetite.

The committee reviews the risk management framework on an annual basis. A review was completed during FY23 and the committee does not believe it has any material exposure to environmental and social risks (ASX Recommendations 7.2 and 7.4).

*(iii) Internal Audit*

The Group has an internal audit function that reports directly to the ARC Committee. The internal audit function is outsourced to internal audit consultants who provide independent and objective evaluation regarding the Company's risk management, internal controls and governance processes. The annual work plan of the internal audit function is approved annually by the ARC Committee (ASX Recommendation 7.3).

## **Principle 8: Remunerate fairly and responsibly**

*(i) Remuneration and Nomination Committee*

As set out above in section 2, the Board has a Remuneration and Nomination Committee which assists the Board with setting the level and composition of remuneration for directors and senior executives.

*(ii) Company's remuneration policies*

The Company has in place a Remuneration Policy which sets out the Company's remuneration practices. The policy is published on the Company's website (ASX Recommendation 8.2). Details on the remuneration of Directors and executives as well as the Company's remuneration policies are set out in the Remuneration Report in the Annual Report.

*(iii) Structure of Non-Executive Director's remuneration*





The terms and conditions governing the remuneration of Non-Executive Directors are set out in their appointment letter. All Non-Executive Directors are remunerated by way of fixed cash fees. Non-Executive Directors are not provided with retirement benefits other than statutory superannuation. The maximum total remuneration payable to Non-Executive Directors was approved by Shareholders at the 2021 Annual General Meeting and is currently \$950,000. From time to time additional benefits may be agreed with Directors with due regard to market conditions.

*(iv) Equity-based remuneration scheme*

The Company has a Security Trading Policy which imposes trading restrictions when dealing with IMDEX securities, specifically limiting key management and employees of the Company or persons who have access to inside information relating directly or indirectly to the Company, from trading in the Company's securities. The policy can be found on the Company's website (ASX Recommendation 8.3).