

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

**IMPEDIMED LIMITED**

ABN / ARBN:

**65 089 705 144**

Financial year ended:

**30 JUNE 2019**

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

☐ These pages of our annual report:

☒ This URL on our website: <https://www.impedimed.com/about/investors/corporate-governance/>

The Corporate Governance Statement is accurate and up to date as at **20 August 2019** and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: **21 August 2019**

Name of Director or Secretary  
authorising lodgement: **Leanne Ralph**

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> in our Board Charter at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> detailed at 1.2(a) Corporate Governance Statement 1.2(b) All material information relevant to a decision on whether to elect or not elect or re-elect a director is contained in the Company's AGM notice of Meeting at: <a href="https://www.impedimed.com/about/investors/">https://www.impedimed.com/about/investors/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in our Board Charter at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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 or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(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</p> <p>(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.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so for 1.5 (c) in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>AND</u></b></p> <p><input checked="" type="checkbox"/> details of the outcomes of the performance evaluation undertaken during the year for the CEO and senior executives can be found in the Remuneration Report in the Annual Report. Refer <a href="https://www.impedimed.com/about/investors/financial-reports/">https://www.impedimed.com/about/investors/financial-reports/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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>	<p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at</p> <p>2.1(a)(4) Corporate Governance Statement</p> <p>2.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="https://www.impedimed.com/about/investors/financial-reports/">https://www.impedimed.com/about/investors/financial-reports/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</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>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (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 (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here] ... and, where applicable, the information referred to in paragraph (b): Not Applicable ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b> <input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>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 attendances 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>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at 4.1(a)(4) Corporate Governance Statement and <a href="https://www.impedimed.com/about/management/">https://www.impedimed.com/about/management/</a></p> <p>4.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="https://www.impedimed.com/about/investors/financial-reports/">https://www.impedimed.com/about/investors/financial-reports/</a></p> <p>Note: The Committee is a combined Audit and Risk Committee.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
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.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/">https://www.impedimed.com/about/investors/</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
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.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
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.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <p>(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.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at 7.1(a)(4) Corporate Governance Statement</p> <p>7.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="https://www.impedimed.com/about/investors/financial-reports/">https://www.impedimed.com/about/investors/financial-reports/</a></p> <p>Note: The Committee is a combined Audit and Risk Committee.</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
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>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.4	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.	... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location here]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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> <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 senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location here]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a> ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at</p> <p>8.1(a)(4) Corporate Governance Statement</p> <p>8.1(a)(5) Corporate Governance Statement and Directors Report Section of the Annual Report Refer <a href="https://www.impedimed.com/about/investors/financial-reports/">https://www.impedimed.com/about/investors/financial-reports/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>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.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> in the Remuneration Report section of the Annual Report at <a href="https://www.impedimed.com/about/investors/financial-reports/">https://www.impedimed.com/about/investors/financial-reports/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
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>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>AND</b></p> <p><input checked="" type="checkbox"/> at <a href="https://www.impedimed.com/about/investors/corporate-governance/">https://www.impedimed.com/about/investors/corporate-governance/</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



## **IMPEDIMED LIMITED**

### **CORPORATE GOVERNANCE STATEMENT**

This Corporate Governance Statement (**Statement**) outlines the corporate governance practices currently in place for ImpediMed Limited (**Company** or **ImpediMed**) and also addresses the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**). The board believes the Company accords with the majority of the ASX Recommendations with any exceptions outlined in the Statement.

The corporate governance policies and practices described below are those that have been in place for the 2018-19 financial year, or as at the date of this report where indicated. The board continues to review the governance framework and practices of the Company to ensure they meet the interests of shareholders and other stakeholders.

All references to the Company's website are to: [www.impedimed.com](http://www.impedimed.com)

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

##### **(a) Role of the board**

The board is committed to effectively representing and promoting the Company, and thereby adding long-term value to all shareholders. The board is accountable to shareholders for the management of the Company's business and affairs and as such is responsible for the overall strategy, governance and performance of the Company. To clarify the roles and responsibilities of directors and management and to assist the board in discharging its responsibilities, the Company has established a governance framework, which sets out the functions reserved to the board and provides for the delegation of functions to board committees and to senior management. The board operates under a formal charter, which can be found on the Company's website.

##### **(b) Appointments to the Board**

The process of selection and appointment of new Directors to the board is that when a vacancy arises, the Nomination Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise. Candidates with the skills, knowledge, experience, independence and expertise that best complement the Board's effectiveness will be recommended to the board.

When the board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy (or as an additional director) in accordance with ImpediMed's constitution but must stand for election by shareholders at the next Annual General Meeting (**AGM**).

The Board ensures that appropriate reference checks are undertaken on any potential new Director prior to appointment to the Board (or putting forward to shareholders a candidate for election) and provides to shareholders all material information in its possession concerning the Director standing for election or re-election in the explanatory notes accompanying the notice of meeting.

Non-executive directors are appointed pursuant to formal letters of appointment which, among other things, set out the key terms and conditions of the appointment, the board's expectations in relation to the performance of the director, procedures for dealing with a director's potential conflict of interest and the disclosure obligations of the director, together with the details of the director's remuneration.

### (c) Governance Framework

The diagram following depicts the operation of the Company's governance framework.

#### BOARD

Formally delegates certain functions to Board Committees and to management via the formal Board and Committee charters.

Directly retains responsibility for a number of matters including:

- Corporate Strategy – Evaluate, approve and monitor the strategic and financial plans for the Company.
- Oversight of Management – guide and monitor management's performance and implementation of strategy. The appointment and replacement of the CEO/MD, executive succession planning, monitor the performance of the CEO/MD and the senior management team and determine their remuneration.
- Oversight of Financial Management – review and approve the annual operating budgets, review and approve all financial reports of the Group, evaluate and approve decisions concerning major capital expenditure of the Company.
- Oversight of Capital Management – approve changes to the Company's capital structure, determine distribution policy and approve dividend payments pursuant to that policy and approve the establishment and issue of any equity rights via incentive plans.
- Board Composition and Structure – review composition of the board, succession, and carry out annual performance reviews.
- Compliance and Risk Management – monitor strategic risk management systems and the integrity of internal control and reporting systems.
- Stakeholder Communications – approve all material reporting and other external communications by the Company, review policies and procedures to ensure compliance with ASX continuous disclosure requirements.
- Ethics and Responsible Decision-Making – actively promoting ethical and responsible decision making and monitoring compliance with policies governing the operation of the Company.

#### Audit and Risk Management Committee

Key functions are to oversee and review:

- The integrity of the Company's external financial reporting and financial statements;
- The appointment, remuneration, independence and competence of ImpediMed's external auditors;
- The effectiveness of ImpediMed's system of risk management and internal controls; and
- ImpediMed's systems and procedures for compliance with applicable legal and regulatory obligations.

#### Nomination Committee

Key functions are to oversee and review:

- Board size;
- Required board competencies and skills matrix;
- The process for selection, appointment and re-election of directors;
- Induction procedures for new director appointees;
- Board performance evaluation;
- Continuing education of directors knowledge of the industry;
- Board and executive succession plans; and
- Diversity and culture of the board and workplace.

#### Remuneration Committee

Key functions are to oversee, review and make recommendations on:

- Non-executive director remuneration;
- Executive remuneration;
- Incentive schemes and equity based remuneration – reviewing terms, performance hurdles, administration, payments/awards;
- Recruitment, retention and termination policies for CEO and senior executives; and
- Annual remuneration report.

#### CEO/MD and Other Senior Executives

**(d) Board committees**

The ultimate responsibility for the oversight of the operations of the Company rests with the board. However, the board may discharge any of its responsibilities through committees of the board in accordance with the Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**).

The board has established the following standing committees, which assist it with the execution of its responsibilities. The composition and effectiveness of the committees are reviewed on an annual basis. The Board establishes other committees as the need arises for specific projects.

- Audit and Risk Management Committee;
- Remuneration Committee; and
- Nomination Committee.

Each of these committees operate in accordance with specific charters approved by the board which can be found on the Company's website.

The applicable composition requirements and current membership of each of the board committees are set out in Table 1 (below):

Table 1

Board Committee	Composition Requirements	Membership
Audit and Risk Management Committee	At least three members, all of who are non-executive and independent. The chairman should be an independent non-executive director. All members should be financially literate and at least one member must have financial expertise and some members must have an understanding of the industry in which ImpediMed operates.	Ms Judith Downes (Chair); Mr Don Williams and Mr Amit Patel.
Remuneration Committee	At least three members, the majority of whom are independent, non-executive directors. The chairman should be an independent -executive director.	Mr Don Williams (Chair); Mr Scott Ward; Dr Robert Graham; and Mr Gary Goetzke.
Nomination Committee	At least three members, the majority of whom are independent, non-executive directors. The chairman should be an independent non-executive director.	Mr Scott Ward (Chair); Mr Gary Goetzke; Mr Amit Patel; Mr Don Williams; Dr Robert Graham; Mr Richard Carreon; and Ms Judith Downes.

The number of scheduled board and committee meetings held during the year ended 30 June 2019 and the number of meetings attended by each of the directors is set out in Table 2 (below).

Table 2

	Board		Audit and Risk Management Committee		Remuneration Committee		Nomination Committee	
	A	B	A	B	A	B	A	B
Scott Ward	13	13	-	-	5	5	-	-
Richard Carreon	13	13	-	-	-	-	-	-
Gary Goetzke	13	11	-	-	5	5	-	-
Amit Patel	13	13	3	3	-	-	-	-
Don Williams	13	11	3	3	5	5	-	-
Judith Downes	13	13	3	3	-	-	-	-
Robert Graham	13	13	-	-	5	5	-	-

**A:** Meetings eligible to attend    **B:** Meetings attended

#### (e) The Company Secretary

The company secretary acts as secretary of the board, attending all meetings of the board and its committees. The company secretary is accountable to the board through the chairperson on all corporate governance matters and the proper functioning of the board.

#### (f) Diversity

The Company has adopted a Diversity Policy, a copy of which is available on the website. This policy outlines the Company's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. ImpediMed promotes an inclusive workplace where employee differences in areas like gender, age, culture, disability and lifestyle choice are valued. The company has a diverse mix of employees with the appropriate qualifications for roles within the current business.

The Company's employees bring unique skills, perspectives and experience that ultimately drive improved business performance.

The policy does not include measurable objectives for achieving gender diversity. The board has considered setting gender diversity targets, but decided that as the Company already recruits on the basis of no bias and has a culture that supports workplace diversity, the establishment of gender diversity targets should not be put in place at this time. This will be considered again during FY20.

In appointing members to the board, consideration is given to the skills, business experience and educational backgrounds of candidates. The advantage of having a mix of relevant business, executive and professional experience on the Board; the importance of cultural and ethical values; and the benefits of diversity, including gender diversity are also recognised. These factors, in addition to identified skills gaps, were considered in the new appointments to the board.

The Nomination Committee oversees the director nomination process. Ultimately, the full board determines who is invited to fill a casual vacancy after one-on-one and collective interviews with candidates and thorough due diligence and reference checking.

The board currently has one female non-executive director out of seven directors, Ms Judith Downes.

As at 30 June 2019, the following gender diversity levels were evidenced in the Company:

- The proportion of female directors: 14.3%,
- The proportion of female employees who are vice presidents and above: 20%



- The proportion of female employees in the whole organisation: 39%

#### **(g) Board and director performance**

The board is committed to enhancing its effectiveness through performance management and review. The board review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to enhance its effectiveness.

As at the date of this Statement, the board is conducting a formal, structured evaluation that involves each director completing a confidential questionnaire covering the role, composition, processes and the carrying out of its responsibilities. The results of the questionnaire and an analysis of these results will be reported to the board. This process was last carried out during the 2017 financial year and due to the appointment of four new non-executive directors a board review was not deemed necessary during the 2018 financial year.

Non-executive directors receive director's fees outlined in their letters of appointment and the level of remuneration is reviewed periodically with reference to external benchmarking.

#### **(h) Senior Executives**

The board delegates the responsibility for the day-to-day management of the Company to the Chief Executive Officer/Managing Director (**CEO/MD**), who is assisted by the senior executives who report to him.

The CEO/MD consults with the chairman on any matters that the CEO/MD considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the board, regardless of value. The authorisation thresholds for the control of expenditure and capital commitments are established and defined in the Company's Delegated Authority Policy, which are set to optimise the function and decision-making of the executive as the Company continues to grow and expand, whilst maintaining appropriate oversight by the board.

Subject to these policy limits and the directions of the Audit and Risk Management Committee, the CEO/MD may sub-delegate the day-to-day running of the Company to the senior executive team. The exercise of delegated authority is restricted to specific organisational functions and roles.

The Delegated Authority Policy details the delegated thresholds for various types of commitment and individual positions, as well as the authorisation processes required to be followed.

All senior executives are appointed to their positions after an appropriate recruitment process. Each member of the senior executive team, including the executive director, have signed formal employment contracts or offer letters at the time of their appointment, covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. Each contract or offer letter refers to a specific formal job description. Each contract or offer letter sets out the remuneration of the executive, including their entitlements to any rights under incentive plans. For US based executives, employment is at-will.

#### **(i) Performance of Senior Executives**

The evaluation for all executives is based on specific criteria, including the business performance of the Company, whether strategic objectives are being achieved, and the development of management and personnel.

The CEO/MD's performance is formally assessed on an annual basis by the board. All Key Performance Indicators (**KPIs**) are carefully considered by the Remuneration Committee, which evaluates the CEO/MD's performance and makes recommendations to the board.

An annual assessment of the performance of all other senior executives is undertaken by the board on the basis of recommendations by the CEO/MD, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the CEO/MD, was undertaken in the reporting period in accordance with the process disclosed above.

Further information on directors' and executives' remuneration, including principles used to determine remuneration and KPIs, is set out in the 'Remuneration Report contained in the Annual Report.

## **Principle 2: Structure the board to add value**

### **(a) Board size and composition**

The Constitution of the Company provides that there will be a minimum of three directors and not more than seven directors.

At the date of this report, the board comprises six non-executive directors, and one executive director.

The current members of the board are:

- Mr Scott Ward (Chairman of the Board from 15 November 2017), (appointed as a Director on 12 July 2013)
- Mr Richard Carreon (Managing Director and CEO), (appointed as a Director on 8 May 2015)
- Mr Gary Goetzke (Non-executive Director), (appointed 8 August 2016)
- Mr Amit Patel (Non-executive Director), (appointed 20 March 2017)
- Mr Don Williams (Non-executive Director), (appointed 20 March 2017)
- Ms Judith Downes (Non-executive Director), (appointed 10 April 2017)
- Dr Robert Graham (Non-executive Director), (appointed 15 November 2017)

### **(b) Board skills and diversity**

The board considers that its directors and senior management have the combined skills and experience to discharge their respective responsibilities.

The full biographies of all directors are included in the Director's Report in the Annual Report, including details of other listed entity directorships and relevant experience. This information can also be found on the Company's website.

ImpediMed seeks to have directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business. ImpediMed has developed a Board Skills Matrix setting out the skills and diversity that the board has or is looking for in order to identify any gaps in skills that the board seeks.

During the 2019 financial year, the board reviewed and updated the Board Skills Matrix. In revising the Board Skills Matrix, the Board identified that, collectively, the Board should have skills and experiences, which include those outlined in Table 3.

The board had previously noted that the skill areas of IT, social media and new technology were potential areas of weakness in the collective skill set of the board. These skills gaps have been largely filled with the appointment of Mr Patel to the board and additional management capability in these areas. Also, the appointment of Dr Graham in November 2017 filled a gap in clinician experience and knowledge in the area of heart failure.

In addition to the skills and experience set out in diagram below, the board considers that each director has the following attributes:

- Honesty and integrity;
- The ability to think strategically;
- The time available to devote to ImpediMed's business;
- A willingness to question and challenge; and
- A commitment to the highest standards of governance.

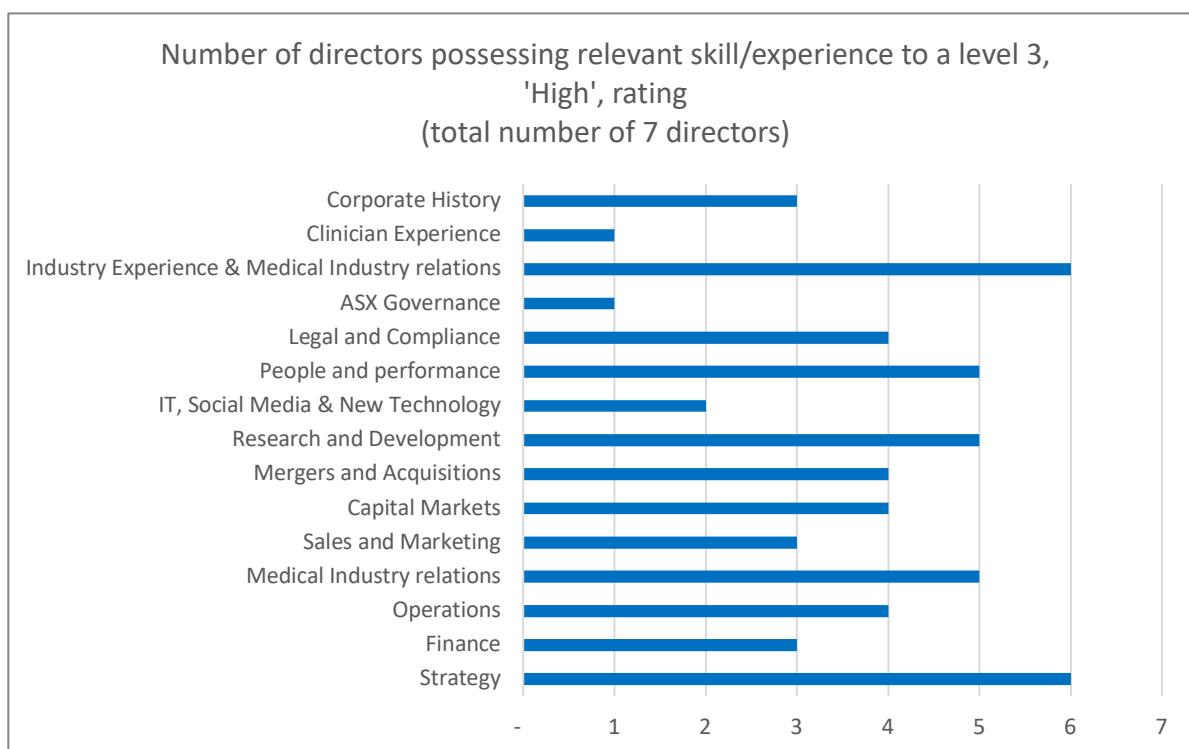
All directors are expected to use their range of relevant skills, knowledge and experience and to apply their judgement to all matters discussed at Board meetings.

Table 3

SKILL	DESCRIPTION
Strategy	Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.
Finance	The ability to analyse financial statements and reporting, critically assess the financial performance of the group, contribute to budget planning and efficient use of capital and resources.
Operations	A broad range of commercial and business experience in business systems, practices, improvements, risk and compliance, sales, technology and human resources.
Medical Industry Relations	Knowledge of the medical industry interest groups and lobbying and legislation. Effective networks.
Sales and marketing	Clear understanding of developing and implementing sales and marketing teams and strategies, recruiting, running and incentivising sales teams, and setting sales budgets and targets.

SKILL	DESCRIPTION
Capital markets	Expertise in considering and implementing efficient capital management including alternative capital sources and distributions, yields and markets.
Mergers and Acquisitions	Experience in all aspects of the negotiation, structuring, risk management and assessment of both acquisitions and divestments.
Research and development	Experience in areas relating to Science, Engineering, Technology, Pre-Clinical Development and Clinical trials.
IT, Social Media and New Technology	Expertise in the area of IT, all aspects of social media and new technology that the Company should be aware of and utilising.
People and performance	Appreciation for the best practices in HR planning and management with familiarity in employment legislation and labour relations, recruitment, compensation, performance reviews and conflict management.
Legal and compliance	Ability to identify key risks to the group in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks and systems.
ASX governance	Knowledge and experience in ASX listing rules, best practice governance structures, policies and processes and Corporations Act requirements.
Industry experience and medial industry relations	Experience and broad understanding of the medical device market including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework, specifically in the USA, and effective networks.
Clinician Experience	Clinician in the field of heart failure preferably with of international standing and with research/clinical trials experience.
Corporate History	A board understanding of recent corporate background including organisational structure, litigation, key contracts and relationships, performance and capital structures.

The table below illustrates the extent to which the current board fulfils each of the identified required skills of the board. These percentages are extracted directly from the board skills matrix, where directors are rated on their level of competence in each identified skill.



### (c) Director Appointments

Under the Nomination Committee Charter, the Committee reviews and where appropriate, makes recommendations to the board on the size and composition of the board, including assessment of necessary and desirable competencies of board members. To this end, the Nomination Committee periodically assesses the appropriate mix of competencies, skills, experience and expertise required by the board and assess the extent to which the required skills and experience are represented on the board.

The Nomination Committee is also responsible for reviewing and making recommendations to the board on its membership, including recommendations for the appointment and re-election of directors and where necessary, proposing candidates for consideration by the board. The Nomination Committee must have regard to the factors set out in the Nomination Committee Charter, including that the board should comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds in accordance with the Diversity Policy.

Ultimately, the full board determines who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence and reference checking. In accordance with the Company's Constitution, a director appointed by the Board holds office until the conclusion of the next Annual General Meeting when he or she will be eligible for election at that meeting.

The Nomination Committee's current membership is set out earlier in this Statement and the independence of the members is discussed below.

### (d) Director Remuneration and Induction

Non-executive director remuneration is reviewed on an annual basis.

A director induction program has been designed and directors are expected to participate in this induction and orientation program on appointment.

**(e) Directors' independence**

The board has considered specific principles in relation to directors' independence. The board considers an independent director to be a non-executive director who is not a member of the Company's management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the independent exercise of their judgement. The board will consider the materiality of any given relationship on a case-by-case basis, having regard to both quantitative and qualitative principles.

On an annual basis, the board assesses the independence of all directors against the criteria outlined in Box 2.3 of the third edition of the ASX Recommendations.

Mr Scott Ward, Mr Gary Goetzke, Mr Amit Patel, Mr Don Williams, Dr Robert Graham and Ms Judith Downes are considered by the board to be independent.

Given the executive position held by Mr Carreon, he is considered to be non-independent based on the criteria in Principle 2 of the ASX Recommendations.

Based on this assessment the board has a majority of independent directors.

**(f) Directors' interests**

Directors are required to keep the board advised of any interest that may be in conflict with those of the Company, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the board meeting while the matter is considered in their absence.

The Company has also entered into a deed of disclosure with each director, which is designed to facilitate the Company's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests in ImpediMed securities. Directors and their nominated related party shareholdings, are also monitored to identify changes that may require urgent disclosure.

Standing items at each board meeting include:

- Director's Shareholding Register; and
- Director's Standing Notice Register.

**(g) Chair of the board**

The same individual does not occupy the role of chair of the board and CEO/MD. The board has agreed that it should continue to have a majority of independent non-executive directors, that the positions of chair and CEO/MD must be separate, and that the chair should be an independent non-executive director.

Mr Scott Ward was appointed chair of the Company on 15 November 2017 and is considered an independent non-executive director as outlined above.

**(h) Board meetings**

The board typically schedules meetings on a bi-monthly basis, with additional meetings convened as required. Agenda's for each meeting are prepared by the company secretary together with the chair and input from the CEO/MD and CFO, and are distributed prior to the meeting together with supporting papers.

Standing items include the CEO/MD's report and the financial report, as well as reports addressing matters of strategy, governance and compliance. Senior executives are directly involved in board discussions as required.

**(i) Independent advice**

The board has a policy of enabling directors to seek independent professional advice for Company related matters at the Company's expense, subject to the prior notification of the Chair and where the estimated costs are considered to be reasonable.

**Principle 3: Act Ethically and Responsibly**

**(a) Code of conduct and ethical behaviour**

The board acknowledges the need for high standards of corporate governance practice and ethical conduct by all directors and employees of the Company.

The board has endorsed a code of conduct which outlines 'acceptable behaviour' and attitudes expected from all staff to promote and maintain the confidence and trust of all those dealing with the Company.

The Company's Code of Conduct may be viewed on the Company's website.

Various measures have been established to ensure that a high standard of ethical business behaviour is observed by all staff members, including policies and procedures for:

- managing conflicts of interests;
- personal security trading;
- whistleblower procedures; and
- handling confidential information.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

**(b) Employee and director trading in ImpediMed securities**

The Company has a Security Trading Policy that governs the ability of directors, executives and employees to trade in the Company's securities. Subject to necessary prior written consents being obtained, the Company's directors, executives and employees may trade in the Company's securities at any time except during the following prohibited periods:

- Two weeks prior to the half year end, to the close of trading on the business day after ImpediMed's half yearly results are announced to the ASX;
- Two weeks prior to the financial year end, to the close of trading on the business day after ImpediMed's annual results are announced to the ASX (for clarity, the release of the preliminary financial report will trigger this clause, noting that ImpediMed usually releases final results concurrently with preliminary results);
- Four weeks prior to the Annual General Meeting (**AGM**) and ending on the close of trading on the business day after the AGM is held; and
- During any extension to the above closed periods, and during any additional Prohibited Periods, as declared by the Board. The Board has complete discretion on the opening of Prohibited Period at any time, irrespective of the periods outlined above.

Directors and senior executives may, in exceptional circumstances as defined in the policy, trade in prohibited periods but only with the prior written consent of the chair for directors, the company secretary for other applicable employees. Notwithstanding the trading windows and approval

requirements, a person is prohibited from trading at any time if they possess material, price-sensitive information about the Company that is not generally available to the public.

The policy also prohibits short term trading, margin lending, short selling and hedging of the Company's securities.

The Company's Securities Trading Policy may be viewed on the Company's website.

#### **Principle 4: Safeguard integrity in corporate reporting**

The Audit and Risk Management Committee is responsible for assisting the board in discharging its responsibilities to safeguard the integrity of the Company's financial reporting and the system of internal control. A key component of the committee's role is to provide appropriate advice and recommendations to the board to assist the board to fulfil its responsibilities in regard to financial reporting, the internal control environment, and audit management where appropriate across the Company.

The Audit and Risk Management Committee operates pursuant to a Charter (available on the Company website) which takes into account the roles and responsibilities of the Audit and Risk Management Committee as well as contemporary governance practices. The Charter includes details on the appointment and oversight of the external auditor. The Company will ensure the external auditor is available to shareholders at the annual general meeting to answer any questions they may have about the Company's external audit.

The Audit and Risk Management Committee's current membership, the independence of the members and details of Audit and Risk Management Committee meetings and attendance by each Committee member are set out earlier in this Statement and the Directors Report in the Annual Report.

The qualifications and experience of the members of the Audit and Risk Committee are outlined in the Directors Report in the Annual Report and earlier in this Statement where skills of each of the Directors is addressed.

In accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Recommendations, before it approves the entity's financial statements for a financial period, the Board receives from its CEO/MD 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.



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

The Company is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act and to ensuring that its shareholders are kept well-informed of all major developments affecting the Company's state of affairs, in order to promote transparency and investor confidence.

The Company has a Disclosure Policy and it incorporates the continuous disclosure framework as set out in the ASX Listing Rules Chapter 3, as well as the revised ASX Listing Rules Guidance Note 8. This policy is available on the Company's website.

The policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the board for achieving compliance. More specifically, the policy:

- Explains the Company's obligations under ASX Listing Rule 3.1 and the Corporations Act 2001;
- Establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the board;
- Establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- Establishes internal processes for briefing of analysts, investor and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market;
- Outlines authorisation procedures for ASX announcements; and
- Delegates to the company secretary the authority to release information or make disclosures to the ASX and responsibility for decisions regarding price sensitive information, coordinating disclosures, establishing and monitoring procedures under this policy and making recommendations to the board on any necessary updates to the policy.

## **Principle 6: Respect the rights of security holders**

The board aims to ensure that its shareholders are kept well-informed of all major developments and business events that are likely to materially affect the Company's operations and financial standing, and the market price of its securities. Information is communicated to shareholders through:

- The Company's website in the Investors section;
- Annual and half year financial reports lodged with the ASX and made available to all shareholders;
- Investor conference calls;
- Announcement of market-sensitive and other information, including annual and half year results announcements, quarterly cashflow reports and analyst presentations released to the ASX; and
- The chairman and CEO/MD's addresses to, and the results of, the annual general meeting.

The Company's website contains a large amount of information for investors and is all contained in the investors section.

The following information for investors is located in the Investors tab:

- Share Price details;

- ASX releases;
- Shareholder reports;
- General information about the company;
- Contact details (including the email address for investor relations);
- Share registry information and contact details;
- Details on the board of directors and the management team; and
- Corporate Governance information – including Charters and Policies.

The Company's Disclosure Policy includes a formal procedure for dealing with potentially price-sensitive information. The policy sets out how the Company meets its disclosure obligations under ASX Listing Rule 3.1. The Company's policy is to lodge with the ASX and place on its website all market-sensitive information, including annual and half year result announcements, quarterly cashflow reports and analyst presentations, as soon as practically possible.

The Company produces two sets of financial information each financial year: the half year financial report for the six months ended 31 December and the annual financial report for the year ended 30 June. The Company also prepares quarterly cashflow reports. All are made available to shareholders and other interested parties via the Company website and the ASX.

Shareholders have the right, and are encouraged, to attend the Company annual general meeting, held in October or November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting is also posted on the Company website and lodged with the ASX.

Shareholders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all shareholders are eligible to vote on all resolutions. Shareholders who cannot attend the annual general meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

Transcripts of the chairman and CEO/MD's reports to shareholders are also released to the ASX upon the commencement of the annual general meeting. These transcripts, together with the results of the annual general meeting are also posted on the Company website and the ASX.

The Company has a communications plan and an investor relations calendar providing information of key dates impacting shareholders, analyst briefings and conferences.

All shareholders are provided the option to receive communications from the Company and the share registry electronically (and are encouraged to do so, with election documentation included in regular mail outs to shareholders).

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

The board is responsible for ensuring that sound risk management strategy and policies are in place. The board has delegated to the Audit and Risk Management Committee the responsibility for identifying and overseeing major risks and ensuring that systems are in place to manage them.

In addition, the Audit and Risk Management Committee:

- Identifies and assesses the Company's material business risks;
- Regularly reviews and updates the Company's risk profile; and
- Oversees the risk management policies and systems.

The Audit and Risk Management Committee's current membership and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Audit and Risk Management Committee meetings and attendance by each Committee member are outlined earlier in this Statement and in the Directors Report Contained in the Annual Report.

This committee has at least one meeting per year to review and assess the Company's risk management framework and to review the identification and management of the key risks of the business and the mitigation of those risks where possible.

The committee considers risk matters on an ongoing basis and undertook a formal review of its risk management framework during the year ended 30 June 2019.

It is intended that this framework will be subject to another formal review during FY20 together with the consideration of risk matters on an ongoing basis.

**(a) Internal Audit**

The Company does not have an internal audit function as the board considers the Company not of the size to warrant such a function.

The Company's risk management framework is integrated with its day-to-day business processes and functional responsibilities. Risks are monitored and managed by management reporting to the Audit and Risk Management Committee on such matters.

**(b) Economic, environmental and social sustainability risks**

In accordance with Recommendation 7.4, the Audit and Risk Committee has considered whether the group has any material exposure to economic, environmental and social sustainability risks and determined that there is no material exposure to these risks.

**Principle 8: Remunerate fairly and responsibly**

The board has established a Remuneration Committee, which in accordance with its Charter (available on the Company's website), is responsible for reviewing and making recommendations to the board in respect of:

- Executive remuneration;
- Executive incentive plans;
- Remuneration of the Company's key management personnel;
- Equity based incentive plans;
- Recruitment, retention, performance measurement and termination policies and procedures for non-executive directors, the CEO/MD and any other executive director and all senior executives reporting directly to the CEO/MD; and
- The disclosure of remuneration in the Company's Annual Report.

The Remuneration Committee's current membership and the independence of the member's are set out earlier in this Corporate Governance Statement. Details of Remuneration Committee meetings and attendance by each Committee member are also outlined earlier in this Statement and in the Directors Report contained in the Annual Report.

The Company distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives.

ImpediMed's policy is to reward executives with a combination of fixed, performance-based and equity-based incentives. In relation to ASX Recommendation 8.3, the Company's Security Trading Policy prohibits employee shareholders (which includes those that have obtained shares via the equity-based remuneration scheme) short-term trading, margin lending, short selling and hedging of the Company's securities.

Non-executive directors receive board fees that are set having regard to the responsibilities and risks of the role and market competitiveness. To create alignment between non-executive directors and shareholders, non-executive directors are encouraged to hold ImpediMed securities. The Company has adopted a policy of directors holding a minimum holding of ImpediMed shares equivalent to one-times annual director fees (after tax) over a five-year period, with an expectation that shares are held for the duration of their directorship. Conversely to preserve independence and impartiality, no element of non-executive director remuneration is 'at risk' (that is, it is not based on the performance of the Company).

For details of the Company's remuneration structure, please refer to the Remuneration Report contained within the Annual Report.

**This Corporate Governance Statement was approved by a resolution of the board on 20 August 2019.**