

IMDEX Limited  
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17 August 2020

Company Announcements Office  
ASX Limited Exchange Centre  
20 Bridge Street SYDNEY NSW 2001

Dear Sir / Madam,

**APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 20 JUNE 2020**

Please find attached Imdex Limited's Appendix 4G and Corporate Governance Statement for the year ended 30 June 2020.

Yours faithfully  
**Imdex Limited**

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

**Paul Evans**  
Company Secretary

This announcement has been approved for lodgement by the Board of Directors.

## Appendix 4G

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

Name of entity:

Imdex Limited

ABN / ARBN:

78 008 947 813

Financial year ended:

30 June 2020

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



This URL on our website:

<https://www.imdexlimited.com/about-us/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 30 June 2020 and has been approved by the board.

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

Date: 17 August 2020

Name of Secretary authorising lodgement:

Paul Evans  
Company Secretary

<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 ...
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... 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):</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</a></p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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</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</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</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 checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> 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 ...
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</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
2.2	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>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>... our code of conduct or a summary of it:</p> <p><input checked="" type="checkbox"/> 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 ...
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>... 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</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</a></p> <p>and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
4.2	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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</a></p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> 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 ...
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>... 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</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</a></p> <p>and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> 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</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</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
7.4	<p>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.</p>	<p>... 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:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement</p>
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</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.imdexlimited.com">www.imdexlimited.com</a></p> <p>and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> 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 ...
8.2	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.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement

# Corporate Governance Statement 2020

## Imdex Limited

### 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 (**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.

The ASX Recommendations, including corporate governance practices and suggested disclosures, as set out in the 3<sup>rd</sup> edition, have been adopted by Imdex Limited (**Imdex or Company**) for the full year ended 30 June 2020. From 1 July 2020, the Company will adopt and report in relation to the 4th edition of the ASX Recommendations, which were released on 27 February 2019 to take effect for a listed entity's first full financial year commencing on or after 1 January 2020. 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.

The Imdex Group's Corporate Governance Statement (**Statement**) for the financial year ending 30 June 2020 is dated as at 30 June 2020 and was approved by the Board of Imdex Limited (**Board**) on 13 August 2020. In addition, this statement discloses the extent to which Imdex has complied with the ASX Recommendations, including reviewing and updating the Board Committee Charters and company policies during the year ended 30 June 2020, and the 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 and the Senior Management 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.



The Board does not impose on Directors an arbitrary time limit on their tenure. Under the Company's Constitution and the ASX Listing Rules however, 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 a Director or senior executives. The Board also endeavours to provide Imdex shareholders with all material information relevant to the decision on whether or not to appoint or re-appoint a Director (ASX Recommendation 1.2).

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 Paul Evans was appointed Company Secretary of Imdex on 17 October 2006.

### *(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 2020:

- of the Board positions, four (80%) were held by males, and one (20%) was held by a female.
- of eight senior executive\* positions, seven (88%) were held by males, and one (12%) was held by a female.
- of 485 employees, 374 (77%) were male and 111 (23%) were female.

\*Senior executives are defined as being persons reporting to the Managing Director.

*(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 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 Senior Management.

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 (Chair);
- Mr K Dundo; 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 first section of the Annual Report.

(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	1
<b>Strategy</b> – experience in developing and implementing strategic business plans	5

Taking into account the above Skills Matrix, when a Board vacancy arises in the future, Digital Technology and Innovation will be one of the key areas the Company will prioritise in the search for a new Board appointment (ASX Recommendation 2.2).

(iii) *Board Structure*

At 30 June 2020 the Board consisted of a Non-Executive Chair, three Non-Executive Directors and one Executive Director. Of the five Board members at 30 June 2020, four 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 are set out in the Directors' Report and further details concerning the skills, experience, expertise and term of office of each Director is set out in the Director's Profiles in the first section of the 2020 Annual Financial Report (Annual Report) (ASX Recommendation 1.2).

(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:

Director	Length of Service as at 30 June 2020	Assessment	Existence of any matters contained in ASX Recommendation 2.3 affecting Independence
Mr A Wooles, Non-Executive Chairman	4 years	Independent	Nil
Mr B W Ridgeway, Managing Director	20 years	Not Independent	Managing Director
Mr K A Dundo, Non-Executive Director	16.5 years	Independent	Nil
Ms S Layman, Non-Executive Director	3.5 years	Independent	Nil
Mr I Gustavino Non-Executive Director	5 years	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) 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. This Code of Conduct is located on the Company's website (ASX Recommendation 3.1).

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

- 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.

#### **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 (Chair);
- Mr K Dundo; and
- Mr A Wooles

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

The external auditors, the Chief Executive Officer and the Chief Financial Officer are invited to the ARC Committee meetings at the discretion of its members. Details of meetings held by the ARC Committee during the year are set out in the Directors' Report.

##### *(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) External Auditors*

The Board reviews the performance, skills, cost and other matters when assessing the appointment of external auditors. This review is generally undertaken at the completion of the preparation of the Annual Report and involves discussions with the auditors and the Group's Senior Management. Information concerning the selection and appointment of external auditors is published on the Company's website (ASX Recommendation 4.3).

The external auditors are required to attend the Annual General Meeting of the Company and are available to answer questions from Shareholders.

## **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.

All information disclosed to the ASX is published on the Company's website as soon as practicable.

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

### *(i) Shareholders Communications Policy*

The Company has established a Shareholder Communications Policy which is published on the Company's website (ASX Recommendation 6.2 and 6.3).

The aim of the policy is to ensure that Shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to Shareholders through:

- the Annual Report which is made available to all Shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group and details of future developments, in addition to the other disclosures required by the Corporations Act 2001;
- the Half-Yearly Report which contains summarised financial information and a review of the operations of the Group during the period. The Half-Year Financial Report is prepared in accordance with the requirements of Accounting Standards and the Corporations Act 2001 and is lodged with the Australian Securities & Investments Commission and the Australian Securities Exchange. The Half-Year Financial Report is made available to all Shareholders;
- regular reports released through the ASX and the media including Quarterly Shareholder newsletters;
- the Board encourages full participation by Shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the Shareholders as single resolutions. The Shareholders are responsible for voting on the re-appointment of Non-Executive Directors; and
- the Company's website also contains detailed information concerning the Company and each of its operating business units.

All Shareholders have the option of receiving communications electronically and can contact the Company by email at: [imdex@imdexlimited.com](mailto:imdex@imdexlimited.com) or its security registry, Computershare, directly at: [www.computershare.com.au](http://www.computershare.com.au). Further information concerning the Company and the full text of the various announcements and reports referred to above are available on the Company's website: [www.imdexlimited.com](http://www.imdexlimited.com) (ASX Recommendation 6.1 and 6.4).

**Principle 7: Recognise and manage risk***(i) Audit, Risk and Compliance Committee*

As set out above, the Board has an Audit, Risk and Compliance Committee (ARC Committee) to oversee risk, which 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 7.1).

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

- Ms S Layman (Chair);
- Mr K Dundo; and
- Mr A Wooles

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

*(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 operating effectively.

The committee reviews the risk management framework on an annual basis and after undergoing a review in this reporting period covered by Appendix 4G does not believe it has any material exposure to economic (apart from any potential impact of COVID-19), environmental and social sustainability risks (ASX Recommendations 7.2 and 7.4).

The Company has established a Risk Management Policy which is published on the Company's website.

In addition to receiving Internal Audit Reports, the ARC Committee also receives regular reports from the External Audit function.

*(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 in regard to 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, the Board has a Remuneration and Nomination Committee consisting of three Non-Executive Directors. The committee 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 Senior Management.

The Remuneration and Nomination Committee operates under a written charter that is published on the Company's website (ASX Recommendation 8.1). The members of the committee during the year and at the date of this Statement were:

- Mr A Wooles (Chair);
- Mr K Dundo; 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 first section of the Annual Report. The Company Secretary acts as secretary of the Remuneration Committee.

*(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 that is contained in the Directors' Report of 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 2015 Annual General Meeting and is currently \$700,000. 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).