

# INTEGRATED RESEARCH LIMITED

ABN: 76 003 588 449

CORPORATE POLICY MANUAL

## CHARTER OF BOARD RESPONSIBILITIES

Policy No: 2.1

Date: January 2021

### Purpose

This Charter sets out the objectives, responsibilities and framework for operation of the Board as established under the Constitution of Integrated Research Limited (IR or Company). To the extent of any conflict between the terms of this Charter and the constitution, the constitution of IR prevails.

### Interpretation

**ASIC** means Australian Securities & Investments Commission.

**ASX** means Australia Securities Exchange Limited.

**Board** means the Board of Directors of Integrated Research Limited.

**CEO** means the Chief Executive Officer who may also be appointed Managing Director, by the Board, after a qualifying period.

**Committee** means a committee of the Company which is comprised of members of the Board to which the Board delegates certain responsibilities and activities.

**Company** means Integrated Research Limited – ABN 76 003 588 449.

**Constitution** means the constitution of Integrated Research Limited, as may be amended.

**Director** means the Directors of the Board from time to time and includes the Managing Director (if appointed).

**Integrated Research and/or IR** means Integrated Research Limited and its controlled entities.

**Managing Director** means the executive appointed in accordance with the Company's Constitution.

**Member** means a shareholder of Integrated Research Limited.

### Role and function of the Board

The Board's primary role is the protection and enhancement of long-term Shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the consolidated entity including its strategic direction, establishing goals for executive management and monitoring the achievement of these goals.

The Board has established a framework for the management of the consolidated entity including a system of internal control, business risk management process and establishment of appropriate ethical standards.

### Objectives and Responsibilities of the Board

The Board is accountable to Shareholders and responsible for demonstrating leadership and oversight so that operations of the Company are effectively managed.

The Board has overall responsibility for the Company's good governance, which includes:

- Oversight of the Company, including development and implementation of its framework of governance, risk management, internal control, codes of conduct, laws, regulations and compliance which underpins the integrity of management information, financial reporting & accountability systems and foster high ethical standards.
- Appoints the Directors (subject to shareholder approval at annual general meetings).
- Appoints and removes the Chief Executive Officer and/or Managing Director and determines the level of authority delegated to the Chief Executive Officer and/or Managing Director
- Ratifies the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary.

- Sets the Executive Leadership remuneration policy, approves the performance objectives and remuneration of the Chief Executive Officer and/or Managing Director and their direct reports.
- Monitors Executive Leadership performance and implementation of strategy, including performance against agreed objectives.
- Reviews Board performance and succession planning.
- Reviews Executive succession planning.
- Approves and monitors the annual budget, business plan, financial statements, financial policies and financial reporting, major capital expenditure, acquisitions and divestitures.
- Determines and adopts dividend and distribution policies for the Company.
- Oversees compliance with laws and regulations which apply to IR and its businesses.
- Appoints and monitors the independence of the Company's external auditors.
- Sets the risk appetite for the Company and monitors risk management and remediation.

## **Composition of the Board**

### **a) Structure**

Membership of the Board is reviewed by the Board from time to time having regard to the needs of the Company. The Company's Constitution provides for the Board to consist of between three and twelve members. It is Board policy that a majority of Directors are non-executive independent Directors and the Chairperson must be an independent Director.

When determining the optimal number of Directors, the Board has regard to the importance of maintaining the right mix of skills, professional experience and tenure on the Board, the expected future workload of Directors, Board succession planning, diversity and cost.

When a casual vacancy occurs, the Board undertakes a structured process for considering the general qualifications, specific skills, experience and diversity sought for a new Director and to identify suitable candidates. Directors appointed to fill casual vacancies are formally nominated for election by members at the next annual general meeting.

### **b) Independence**

The Board must regularly assess the independence of each Director taking into consideration their declared interests and matters determined by the Board as appropriate to determine if the Director is independent of management and is free of any business or other relationships which could materially interfere with, or could be perceived to materially interfere with, the exercise of their independent judgement.

A non-executive Director will be regarded as an independent non-executive Director if that Director:

- is not a substantial security holder of IR or of a Company holding more than 5% of IR's voting securities, or an officer of a Company directly or indirectly holding more than 5% of IR's voting securities;
- is not, and has not within the last 3 years been an employee of the IR group;
- is not a principal of a material professional advisor of IR or a substantial holder of IR voting securities;
- is not, or has not in the prior 3 years been, a material supplier or customer of IR or an Officer of a Company directly or indirectly associated with a material supplier or customer of IR;
- has no material contractual relationship with IR or any of its associates other than as a Director of the Company;
- has been a Director of the Company for such a period that their independence from management and substantial holders is compromised;
- has no other interest or relationship that could interfere with the Director's independence and ability to

act in the best interests of IR and independently of management.

### **Proceedings**

The full Board shall hold a minimum of twelve scheduled meetings each year, plus any interim or extraordinary meetings at such other times as necessary to address any specific matters that may arise. Directors are expected to attend all meetings or seek leave of absence with approval from the Chairperson.

Any Director may convene a meeting of the Board or require the Company Secretary to convene a meeting of the Board. A quorum for a Board meeting consists of a minimum of two Directors and all meetings will be in accordance with the Company's Constitution.

Directors shall have access to the Chief Executive Officer and/or Managing Director, Chief Financial Officer and Company Secretary for the purpose of seeking information or asking questions. Directors are encouraged to challenge and hold management to account as required.

In the event a Director wishes to take professional advice as it pertains to the performance of their duties as a Director of IR, the Director may do so at IR's expense. However, the Director should first contact the Chairperson and the Company Secretary who will, if required by the Director, assist in procuring the professional advice.

### **Committees**

To assist in the execution of its responsibilities, the Board has established three standing committees.

- Nominations and Remuneration
- Audit and Risk
- Strategy

Each Committee shall operate in accordance with its respective Charter as has been approved by the Board. The majority of members of each committee of the Board are required to be independent non-executive Directors, with the Chairperson of each committee being a non-executive Director. All non-executive Directors may attend any meeting of a committee.

The Board and committees may meet with external advisors with, or in the absence of, management. A committee may appoint an external consultant who shall have no capability to influence or make decisions that bind the Company and neither the Board and/or committee is obliged to act in accordance with the external consultant's wishes.

### **Delegation**

The Board has delegated the day to day management of the business of IR to management through the CEO/Managing Director subject to authority limits applicable to the Executive Leadership Team. The Board has, however reserved matters for the Board of a strategic, sensitive or extraordinary nature or which exceeds the thresholds set in the delegation of authority framework provided to management.

### **Reserved Matters**

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated to a Committee (refer to Committee Charters), the Chairperson, the CEO/Managing Director or another member of the Executive Leadership Team.

- a. *Strategy*, including:
  - Policies regarding IR's overall strategic direction, key business and financial objectives, purpose, values, dividend and distribution policies
- b. *Financial Controls, compliance and risk management*, including:
  - Annual operating and capital expenditure budgets for IR;

- Treasury policies including foreign currency exposure, financial derivatives and indebtedness;
  - IR's financial statements and published reports;
  - Establishment and review of the effectiveness of IR's systems of internal control, governance and risk management processes;
  - Matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the Company;
  - Any significant changes in accounting policies or procedures and delegation of authority framework.
- c. *Capital Structure*, including:
- Changes to IR's capital structure involving security buy-backs, issue of new securities and reductions in capital.
- d. *Appointments and tenure*, including
- Appointment to, and tenure on, the Board and the Chairpersons of the Board Committees;
  - Appointment and tenure of the CEO/Managing Director and review of their performance;
  - Appointment and removal of external auditors
  - Appointment and tenure of the Company Secretary, Chief Financial Officer and Executive Leadership Team.
- e. *Delegation of Authority*, including:
- Changes to the charter or membership of any committee of the Board
  - Changes to the authority of the CEO/Managing Director, Company Secretary, Chief Financial Officer, Executive Leadership Team
  - Any matters which exceed the authority delegated to the Company's management.
- f. *Policies*, including:
- Policies which affect IR as a whole
  - Policies published on IR's website;
  - Codes of conduct
  - Security trading policies
  - Work, health and safety policies
  - Whistleblower policies
  - Risk management and oversight policies
  - Continuous disclosure and communication policies.
- g. *Corporate Governance*, including:
- Determining the independence of non-executive Directors
  - Determining the remuneration of non-executive Directors including committee and Chairperson fees
  - Determine remuneration policies for the organisation are aligned with IR's purpose, values, strategic objectives and risk appetite
  - Determine the process and performance evaluation of the Board, its committees, non-executive Directors and the CEO/Managing Director
  - Monitor and evaluate the desirable competencies of Directors plus range of skills and experiences of the directors
  - Consider the Board and Executive succession plan
  - Finalise and approve resolutions and related documentation to be laid before members in general meetings
  - Monitor continuous disclosure and approve price sensitive announcements and press releases in accordance with the Continuous Disclosure policy

### **Director Responsibilities**

IR's Directors are required to act honestly, diligently, transparently and in the best interest of the

Company's Members.

A Director who has a material personal interest in a matter that relates to the Company's affairs, or an interest that is inconsistent with or divergent from the interests of the Members must disclose that interest to the other Directors and must not participate in discussions at a meeting or vote on that matter unless permitted by the Corporations Act. Directors should inform the Company Secretary of any related party transactions.

A Director must immediately disclose to the Chairperson any event that may impact on the status of the Director as an Independent Director or otherwise reflect on their capacity to serve.

All Directors must observe the provisions of IR policies, including the requirements of the Securities Trading Policy.

No Director may retain office for more than three years or until the third annual general meeting following the Director's appointment (whichever is longer). A retiring Director is eligible for reappointment.

A Director must disclose to the Chairperson a close personal relationship with any member of the Company's staff.

Directors must keep confidential all Board discussions, deliberations and decisions which have not been publicly disclosed. Confidential information disclosed to Directors in the course of exercising their duties remains the property of IR.

### **Role of the Chairperson**

In addition to the Directors' responsibilities outlined above, the Chairperson is responsible for:

- leading the Board including facilitating the effective contribution of all Directors;
- chairing meetings of the Board and general meetings of Members;
- the efficient organisation and conduct of the Board's functions;
- promoting a constructive relationship between the Board and Management; and
- is the prime source of interaction between the Board and a Member holding a significant (~5%) number of shares in the Company.

### **Role of the Company Secretary**

The Company Secretary is accountable to the Board, through the Chairperson, on all corporate governance matters including the proper functioning of the Board.

The Company Secretary is responsible for:

- Monitoring compliance with Board policy and procedures;
- coordinating the completion and despatch of the Board agendas and supporting papers in a timely fashion;
- in conjunction with the Chairperson and/or Committee Chairpersons, organising Board and/or Committee agendas and meetings and attendance of Directors at Board and Committee meetings;
- ensuring the business of the Board and Board Committees is accurately captured in the minutes of the relevant meetings;
- helping to organise and facilitate induction of, and professional development for, Directors;
- attending to matters approved by the Board for lodgement with ASX and ASIC; and
- procuring legal and other professional services for the Board and its Committees as authorised by the Chairperson.

## **Role of Management**

Management, through delegation of authority to the CEO and/or Managing Director, is responsible for the day to day management of IR, implementing IR's strategic objectives and instilling and reinforcing its values and code of conduct. Management is also responsible for managing to the budget and risk appetite that is set by the Board.

Management should supply the Board with accurate, timely and clear information on the entity's global operations, including in relation to financial, legal, compliance, regulatory, security and organisation culture to enable the Board to perform its responsibilities.

The responsibilities of the CEO and/or Managing Director and Chief Financial Officer are stated in agreed written job descriptions. The Managing Director must attend the Board's monthly meetings. The CEO and Chief Financial Officer shall attend the Board's monthly meetings at invitation of the Chairperson.

The CEO and/or Managing Director and Chief Financial Officer must ensure that IR's financial reports present a true and fair view of IR's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the CEO and/or Managing Director and Chief Financial officer should state in writing to the Board that:

- the financial statements present a true and fair view of IR's financial condition and operational results are in accordance with the relevant accounting standards;
- the statement given in relation to the integrity of the financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- IR's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects in relation to financial reporting.

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