



# Ingenia

## CORPORATE GOVERNANCE STATEMENT



## Group Structure

Ingenia Communities Group is a triple-stapled structure comprising the parent company, Ingenia Communities Holdings Limited (**ICH**), Ingenia Communities Fund (**ICF**) and Ingenia Communities Management Trust (**ICMT**), (together known as the Group). The responsible entity of ICF and ICMT, Ingenia Communities RE Limited (**ICRE**), is the holder of an Australian Financial Services License (**AFSL**).

As a result of the stapling structure, ICH and ICRE operate as a coordinated Group with the boards of both companies having the same composition and the meetings held concurrently where appropriate. References to the 'Board' throughout this Corporate Governance Statement (**Statement**) are references to the boards of ICH and ICRE (as the Responsible Entity of ICF and ICMT), which comprise the same directors.

## Compliance with ASX Corporate Governance Principles and Recommendations

This statement outlines the main corporate governance practices currently in place for Ingenia Communities Group (**Group** or **Ingenia**) and discloses the extent to which the Group has complied with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**) during the financial year ended 30 June 2022 (**FY2022**). The Group has reviewed its governance practices against the ASX Principles, including reviewing and updating the relevant company policies, and the Board believes the Group accords with ASX Principles.

The corporate governance policies and practices described below are those that have been in place for FY2022, or as at the date of this report where indicated. The information in this statement is current as at 15 September 2022 and has been approved by the Board on 15 September 2022.

All references in this Statement to the Group's website are to:

<https://www.ingeniacommunities.com.au/investor-centre/corporate-governance/>

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

**ASX Recommendation 1.1** – A listed entity should disclose a board charter setting out:

- 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.

**ASX Recommendation 1.2** – A listed entity should:

- a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
- b) provide securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

**ASX Recommendation 1.3** – A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

**ASX Recommendation 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.

**ASX Recommendation 1.5** – A listed entity should:

- (a) have and disclose a diversity policy;
- (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- (c) disclose in relation to each reporting period:
  - (1) the measurable objectives set for that period to achieve gender diversity;
  - (2) the entity's progress towards achieving those objectives; and
  - (3) either:
    - (a) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
    - (b) 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.

**ASX Recommendation 1.6** – A listed entity should:

- (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

**ASX Recommendation 1.7** – A listed entity should:

- (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
- (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

## Role of the Board

The Board is committed to effectively representing and promoting the Group, and thereby delivering long-term value for all security holders. The Board is accountable to security holders for the management of the Group's business and affairs and as such is responsible for the overall strategy, governance and performance of the Group. The Board is also cognisant of the importance of company culture at Ingenia and oversees (with the assistance of the Remuneration and Nomination Committee) the adherence to Ingenia values as set out in the Code of Conduct. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Group has established a governance framework below, 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 Group's website.

As noted earlier in this Statement, due to the stapling structure of the Group, the boards of both companies (ICH and ICRE) have the same composition and the meetings are held concurrently where appropriate. With regard to ICRE, as it is also the Responsible Entity for ICF and ICMT, the Board has additional responsibilities for the operation of ICF and ICMT. The Responsible Entity must exercise its powers and perform the obligations conferred on it under the Constitutions and the Corporations Act and ensure that the activities of the Group are conducted in a proper and efficient manner in the best interests of security holders. The Responsible Entity must also ensure compliance with the conditions of the AFSL and approve and monitor compliance with compliance plans.

## Governance Framework

The diagram below depicts the operation of the Group's governance framework.

### BOARDS OF ICH AND ICRE

The Board formally delegates certain functions to its committees and to management via the formal Board and Committee charters. The Board directly retains responsibility for a number of matters including:

- Corporate Strategy – Evaluation, approval and monitoring of the strategic and financial plans for the Group.
- Corporate Culture and Values – Approval of the Group's core values and monitor corporate culture of the Group within the framework of the core values identified in the Code of Conduct.
- Oversight of Management – Guidance and monitoring of management's performance, implementation of strategy, appointment and replacement of the CEO, executive succession planning, performance monitoring and remuneration of the CEO and senior management.
- Oversight of Financial Management – Review and approval of annual operating budgets and financial reports of the Group, evaluation and approval of all decisions concerning major capital of the Group.
- Oversight of Capital Management – Approval of changes to the Group's capital structure, Distribution Policy determination and approval of distribution payments pursuant to that policy and approval of the establishment and issue of any equity rights via incentive plans.
- Board Composition and Structure – Review composition of the Board, succession plans, conducting annual performance reviews and assess establishment, composition, and effectiveness of Board committees.
- Compliance and Risk Management – Monitoring of strategic risk management systems and the integrity of internal control and reporting systems.
- Investor Communications – Approval of material reporting and other external communications by the Group, review of 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 Group.

Audit and Risk Committee	Remuneration and Nomination Committee	Investment Committee
<p>Key functions are to oversee and review:</p> <ul style="list-style-type: none"> <li>The integrity of the Group's external financial reporting and financial statements</li> <li>The appointment, independence and competence of external auditors</li> <li>The effectiveness of systems of risk management and internal controls</li> <li>The Group's material exposure to economic, environmental and social sustainability risks</li> <li>Systems and procedures for compliance with applicable legal and regulatory requirements</li> <li>Ensuring the Group maintains appropriate insurance.</li> </ul>	<p>Key functions are to review and make recommendations on:</p> <ul style="list-style-type: none"> <li>Company's approach to culture including the Group's diversity and inclusion strategy, policy and practices</li> <li>Key management personnel and executives remuneration and incentive Policy</li> <li>Level of remuneration for non-executive directors</li> <li>Design of all equity-based incentive plans</li> <li>Board size, composition, independence, and desired competencies of the Board.</li> <li>Appointment, re-election and succession of directors and key management personnel.</li> </ul>	<p>Key functions are to oversee and review:</p> <ul style="list-style-type: none"> <li>Investment and capital management</li> <li>Asset portfolio construction</li> <li>Investment returns and the cost of capital</li> <li>Investment risk</li> <li>Acquisition strategy</li> <li>Debt portfolio construction and management</li> <li>Acquisition and divestments.</li> </ul>
<p><b>CEO &amp; Other Senior Executives</b></p> <ul style="list-style-type: none"> <li>Responsible for the day-to-day management of the Company and implementation of the strategic plan.</li> </ul>		
<p><b>Group Risk Management Committee</b></p> <p>Key function:</p> <ul style="list-style-type: none"> <li>Oversee the Group's financial services risk, risk culture and framework.</li> </ul>		
<p><b>Operational Risk Management Committee</b></p> <p>Key function:</p> <ul style="list-style-type: none"> <li>Oversee the Group's operational business risks, risk culture and framework.</li> </ul>		
<p><b>Executive Investment Committee</b></p> <p>Key function:</p> <ul style="list-style-type: none"> <li>Review the Group's investment in assets and make recommendations to the Investment Committee.</li> </ul>		

## Board Committees

The ultimate responsibility for the oversight of the operations of the Group rests with the Board. However, the Board may discharge any of its responsibilities through committees of the Board (Committees) in accordance with the Constitutions and the Corporations Act.

The Board has established the below listed standing Committees to assist in the execution of its responsibilities. The composition and effectiveness of the Committees are reviewed on an annual basis:

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

Each Committee operates in accordance with a specific Charter approved by the Board, and the Charters can be found on the Group's website.

The applicable composition requirements and current membership of each of the Board Committees are set out below:

Board Committee	Composition Requirements	Membership for FY2022
<b>Audit and Risk Committee</b>	At least three members, all non-executive and the majority of whom are independent. The Chair should be a non-executive director, who is not the Chair of the Board. One member must also have financial expertise.	Ms Pippa Downes (Chair); Mr Greg Hayes; and Ms Sally Evans.
<b>Remuneration and Nomination Committee</b>	At least three members, the majority of whom are non-executive and independent. The Chair should be an independent non-executive director.	Ms Amanda Heyworth (Chair); Mr Robert Morrison; and Ms Sally Evans.
<b>Investment Committee</b>	At least three members, all non-executive and the majority of whom are independent. The Chair should be independent and not Chair of the Board.	Mr Robert Morrison (Chair); Mr Jim Hazel; Ms Pippa Downes; and Mr Greg Hayes.

The number of Board and Committee meetings held during the year and the number of meetings attended by each of the directors is set out in the Annual Report (pg. 35).

## Executive Committees

The Group has established three Executive Committees:

- Group Risk Management Committee (**GRC**);
- Operational Risk Management Committee (**ORC**); and
- Executive Investment Committee (**Executive IC**).

Both risk committees have been established to assist the Audit and Risk Committee in fulfilling its risk responsibilities. Both committees are responsible for overseeing the Group's risk culture and framework which includes:

- Review of the effectiveness of the design and implementation of the risk framework;
- Understanding the business' risk appetite;
- Assessing methodologies, monitoring, and reporting processes; and
- Evaluation of lessons learned when a variation is experienced.

The GRC is responsible for risks arising from the provision of Financial Services.

The ORC is responsible for overseeing the risks associated with the operations of the business including Work, Health and Safety.

Both committees consist of senior executives and meet regularly, with a minimum of four meetings per year. The proceedings of both committees are reported to the Audit and Risk Committee at its next meeting.

The Executive IC has been established to review investment in assets and make recommendations to the Investment Committee. The Executive IC is responsible for assessing proposed acquisitions, and divestment of assets in accordance with investment strategies.

The Executive IC consists of senior executives and meets as required to assess new projects or investment decisions.

## Senior Executives

The Board delegates the responsibility for the day-to-day management of the Company and implementation of the strategic plan to the Managing Director / Chief Executive Officer (**CEO**), who is assisted by the senior executives who report to the CEO.

The CEO consults with the Chairman on any matters the CEO 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 Delegations and Authorities Policy, which is set to optimise the function and decision-making of the executive team as the Group 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 Committee, the CEO may sub-delegate the day-to-day running of the Group to the senior executive team. The exercise of delegated authority is restricted to specific organisational functions and roles.

The Delegations and Authorities 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 a rigorous recruitment process. Each member of the senior executive team, including the CEO, is employed pursuant to an employment contract, which covers a range of matters including their duties, rights, responsibilities and any entitlements on termination. Each contract refers to a specific formal job description and sets out the remuneration of the executive, including their entitlements to any rights under incentive plans.

## Performance of Senior Executives

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

The Board formally assesses the CEO's performance on an annual basis. All key performance indicators (**KPIs**) are carefully considered by the Remuneration and Nomination Committee, which evaluates the CEO'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, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the CEO, 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, is set out in the Annual Report under the heading 'Remuneration Report'.

## Director Appointments and Terms of Appointment

Pursuant to its Charter, the Remuneration and Nomination 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 Remuneration and Nomination Committee periodically assesses the appropriate mix of competencies, skills, experience and expertise required by the Board and assesses the extent to which the required skills and experience are represented on the Board (further details on the Board's skills matrix is provided below).

The Remuneration and Nomination Committee must have regard to the factors set out in the Remuneration and 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. The Group's Diversity Policy can be found on the Group's website.

The Remuneration and 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.

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 including appropriate background and probity checks, reference checks and employment history.

The Company provides security holders with all material information relevant to a decision on whether to elect or re-elect a non-executive director in the Notice of Annual General Meeting.

Non-Executive Directors are appointed pursuant to formal letters of appointment which, among other things, set out:

- The key terms and conditions of their 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.



Non-Executive Director remuneration is reviewed on an annual basis pursuant to advice from an external remuneration consultant. While the current Group Rights Plan allows for the issue of rights to Non-Executive Directors, there have been no Rights granted to them. The eligibility for Non-Executive Directors to participate is expected to be removed from the Rights Plan when it is next presented to investors for approval.

## Board Performance Evaluation

The Board is committed to enhancing its effectiveness through performance management and review. The Board's 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. The Board conducts an annual performance review of it and its Committees. Each director is required to complete the annual performance evaluation questionnaire, which is collated and summarised by the Company Secretary. The Chairman then distributes the summarised and anonymous results to all the directors for discussion. In addition, the Board has decided to have an external facilitator assist with a more in-depth review of the Board's performance to be conducted every three years. This year the Board completed the annual performance evaluation process with the assistance of an external facilitator.

## 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 Chairman, on all corporate governance matters.

## Diversity

A formal Diversity and Inclusion Policy has been adopted by the Board that outlines the Group'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. Ingenia promotes an inclusive workplace where employee differences in areas like gender, age, culture, disability and lifestyle choice are valued. The unique skills, perspectives and experience the Group's employees bring encourage creativity and innovation in thought and better represent Ingenia's diverse customer base, ultimately driving improved business performance.

The Group's Chairman is a member of the 30% Club Australia, which is focused on increasing the representation of women on listed company boards. The Group's target in relation to gender parity was to maintain gender representation of 40:40:20.

As at the date of this report, the measurable objectives as set out above for achieving gender diversity in the composition of the Board and Executive Committee have been met. The Group has also complied with the ASX Principles for achieving gender diversity in the composition of its Board to have not less than 30% of its directors of each gender within a specified period.

The percentage of female representation across the business as at 30 June 2022 is outlined below:

- The proportion of female directors: 50% (excluding the CEO and Nominee Director from Sun Communities) / 37.5% (including the CEO and Nominee Director from Sun Communities)

- The proportion of female employees on the Executive Committee\*: 64%
- The proportion of female employees in the whole organisation: 67%
- The proportion of female employees in senior positions\*\*: 66%

\*Executive Committee members refer to senior executives who have a direct reporting line to the CEO.

\*\*Senior positions include management and senior management positions

As at the date of this report, the Group is in the process of lodging its 2022 annual public report with the Workplace Gender Equality Agency, in accordance with the requirements of the Workplace Gender Equality Act 2012.

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

### **ASX Recommendation 2.1**

The board of a listed entity should:

- have a nomination committee which:
  - has at least three members, a majority of whom are independent directors; and
  - is chaired by an independent director, and disclose:
    - the charter of the committee;
    - the members of the committee; and
    - 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
- 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.

### **ASX Recommendation 2.2**

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

### **ASX Recommendation 2.3**

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors;
- if a director has an interest, position 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 or relationship in question and an explanation of why the board is of that opinion; and
- the length of service of each director.

### **ASX Recommendation 2.4**

A majority of the board of a listed entity should be independent directors.

### **ASX Recommendation 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.

### **ASX Recommendation 2.6**

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

## **Structure of the Board**

As noted previously the Board has established a Remuneration and Nomination Committee, which, in accordance with its Charter (available on the Group's website), is responsible for (amongst other things) reviewing and making recommendations on Board succession, size and composition, balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The current membership of the Remuneration and Nomination Committee and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Remuneration and Nomination Committee meetings and attendance by each Committee member are outlined in the Directors' Report contained in the Annual Report (pg. 35).

## Board Size and Composition

The Constitution of the Group provides there will be a minimum of three directors and not more than ten directors.

At the date of this report, the Board comprises seven Non-Executive Directors and one Executive Director. The Boards of ICH and ICRE have the same directors.

The current members of the Board are:

Director	Date of appointment	Considered Independent (Y/N)
Mr Jim Hazel (Chairman/Non-Executive Director)	1 March 2012	Y
Ms Amanda Heyworth (Non-Executive Director)	16 April 2012	Y
Mr Robert Morrison (Non-Executive Director)	8 February 2013	Y
Ms Pippa Downes (Non-Executive Director)	4 December 2019	Y
Mr Greg Hayes, (Non-Executive Director)	17 September 2020	Y
Ms Sally Evans (Non-Executive Director)	1 December 2020	Y
Mr John McLaren (Non-Executive Director) *	6 December 2021*	N
Mr Simon Owen (Managing Director and CEO),	24 November 2011	N

\* Mr McLaren was initially appointed as Alternate Director to Mr Shiffman on 18 February 2019. With the retirement of Mr Shiffman on 6 December 2021, Mr McLaren was appointed to the Board as replacement nominee director of Sun Communities Inc. (a joint venture partner of the Group and also a substantial security holder).

## 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 at page 32 and 33, including details of other listed entity directorships and relevant experience. Below is a summary of skills possessed by directors supporting the assessments in the skills matrix information disclosed further in this Statement.

The table following sets out the skills and experience considered by the Board to be important for its directors to collectively possess for it to effectively discharge its duties. The information presented has been taken from the Board's current skills matrix that was reviewed and updated during FY2022.

The Board, via the use of its skills matrix, has assessed the relevant level of each competency on the Board and although collectively some competencies and skills have a higher expertise or skill level than others, the Board is of the opinion that collectively it has an adequate skill level for all competencies to discharge its duties.

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 Ingenia’s business;
- A willingness to question and challenge; and
- A commitment to the highest standards of governance.

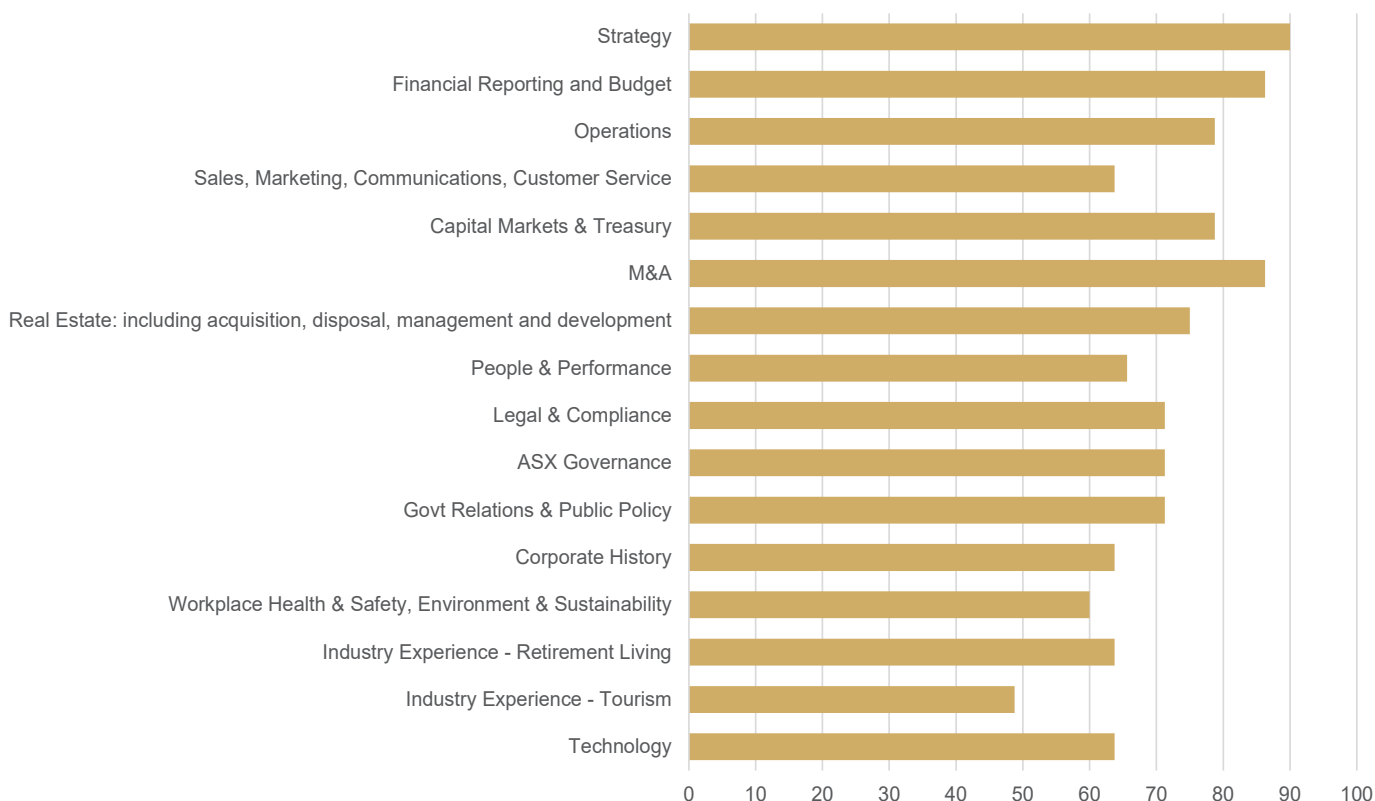
All directors are expected to use their range of relevant skills, knowledge and experience to apply their judgment to all matters discussed at Board meetings.

SKILL	DESCRIPTION
<b>Strategy</b>	Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions, including disruptions and innovations.
<b>Finance Reporting &amp; Budgeting</b>	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. Familiarity with Accounting Standards.
<b>Operations</b>	A broad range of commercial and business experience in business systems, practices, improvements, risk and compliance, sales, technology and human resources.
<b>Sales, marketing, communications and customer service</b>	Clear understanding of developing and implementing brand strategy, recruiting, running and incentivising sales teams, setting sales budgets and targets and getting brand “cut-through”, marketing / communications experience.
<b>Capital markets &amp; Treasury</b>	Expertise in efficient capital management, investment banking, capital raisings, corporate advisory, including alternative capital sources and distributions, yields and markets.
<b>Mergers and acquisitions (M&amp;A)</b>	Experience in all aspects of the negotiation, structuring, risk management and assessment of both acquisitions and divestments at corporate and property levels.
<b>Real Estate (incl acquisition, disposal, management and development)</b>	Expertise in the analysis of development feasibility and assessment, strategies for optimising value and understanding and mitigating risk from development opportunities.
<b>People and performance</b>	HR planning and management experience with familiarity in employment legislation and labour relations, recruitment, compensation, performance reviews and conflict management.

SKILL	DESCRIPTION
<b>Legal and compliance</b>	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.
<b>ASX governance</b>	Knowledge and experience in ASX Listing Rules and Corporations Act best practice.
<b>Government relations and public policy</b>	Expertise in the critical analysis of government/public policy both in terms of policy development, interest group input and lobbying and legislation. Effective networks.
<b>Corporate history</b>	The Board has a good understanding of recent corporate background including organisational structure, litigation, key contracts and relationships, performance and capital structures.
<b>Workplace Health &amp; Safety, Environmental &amp; Sustainability</b>	Experience with workplace health and safety, environmental and sustainability policies, practices and reporting.
<b>Industry experience - retirement living</b>	Experience and broad understanding of the retirement living industry including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework.
<b>Industry experience - tourism</b>	Experience and broad understanding of the tourism market including market drivers, risks and trends including policies, competitors, end users, regulatory policy and framework.
<b>Technology</b>	Expertise in the area of technology projects and keeping abreast of emerging technology relevant to the Group, cyber security, social media, digital marketing.

The chart 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.

## Board Skills Summary



Whilst the current Board composition meets the Group's needs, this skills and experience analysis will assist to identify opportunities for director training and development and to determine skills gaps that may be addressed through future Board appointments.

To assist new directors in obtaining an in-depth understanding of the Group and its operations, a director induction program has been designed and directors are expected to participate in this induction and orientation program on their appointment, including site visits. This program includes visits to the Group's operational sites.

External advisors are also engaged where required to supplement the collective skill set of the Board.

## Directors' Independence

In determining the independence status of each director, the Board has adopted the approach contained in ASX Principle 2, and specifically assesses the independence of all directors against the criteria outlined in Box 2.3 of the ASX Recommendations.

### **Box 2.3 / Factors relevant to assessing the independence of a director**

*Examples of interests, positions and relationships that might raise issues about the independence of a director of an entity include if the director:*

- *is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;*
- *receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;*
- *is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;*
- *is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;*
- *has close personal ties with any person who falls within any of the categories described above; or*
- *has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.*

*In each case, the materiality of the interest, position or relationship needs to be assessed by the board to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party*

The Board considers that it is able to exercise its judgment in an independent and unfettered manner and provide independent and effective oversight of management.

All members of the Board, whether independent directors or not, exercise independent judgment in making decisions in the best interests of the Group as a whole.

The Group does not use prescribed or pre-determined materiality thresholds for the purposes of assessing director independence but instead assesses independence on a case by case basis, having regard to the extent to which any relevant relationship or connection may materially interfere with the director's ability to exercise unfettered and independent judgment in the discharge of their responsibilities and duties.

As noted earlier in this Statement (refer 'Board Size and Composition') Mr Jim Hazel, Ms Amanda Heyworth, Mr Robert Morrison, Ms Pippa Downes, Mr Greg Hayes and Ms Sally Evans are considered by the Board to be independent. Given the executive position held by Mr Simon Owen, he is considered not to be an independent director based. Mr John McLaren is also considered not to be an independent director as he is associated with a substantial security holder of the Group.

## Directors' Interests

Directors are required to keep the Board advised of any interest that might be in conflict with those of the Group, 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 Group has also entered into a Deed of Disclosure with each director, which is designed to facilitate the Group's compliance with its obligations under the ASX Listing Rules relating to disclosure of changes in directors' interests in Ingenia securities. Directors' and their nominated related parties' security holdings are also monitored to identify changes that may require urgent disclosure.

Standing items at each Board meeting include:

- Director's Security Holding Register; and
- Director's Standing Notice Register.

## Chairman

One individual does not occupy the role of Chairman and CEO. The Board has agreed it should continue to have a majority of independent Non-Executive Directors, that the positions of Chairman and CEO must be separate, and that the Chairman should be an independent Non- Executive Director.

Mr Jim Hazel was appointed Chairman of the Group on 1 March 2012 and is considered an independent director.

## Board Meetings

The Board typically schedules approximately eight meetings per year, with additional unscheduled / ad hoc meetings convened as required to deal with urgent matters. Agendas for each meeting are prepared by the Company Secretary, with input from the CEO and Chairman, and are distributed prior to the meeting with supporting papers.

Standing items include the CEO's Report, Financial Report and Workplace Health and Safety updates as well as reports addressing matters of strategy, governance and compliance. Senior executives are directly involved in Board discussions, and directors have a number of further opportunities to contact a wider group of employees, including visits to communities owned by the Group.

## Independent Advice

The Board has a policy of enabling directors to seek independent professional advice for Group-related matters at the Group's expense, subject to the prior approval of the Chairman and where the estimated costs are considered to be reasonable.



**ASX Principle 3 - Instill a culture of acting lawfully, ethically and responsibly**

**ASX Recommendation 3.1**

A listed entity should articulate and disclose its values.

**ASX Recommendation 3.2**

A listed entity should:

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.

**ASX Recommendation 3.3**

A listed entity should:

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

**ASX Recommendation 3.4**

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

## Values

At Ingenia we build community on a foundation of integrity and respect, creating a place where people have a sense of connection and belonging. We strive for continuous improvement in our resident, guest and visitor service, to ensure that they receive an amazing experience every day. Whether it is time to live, play, stay or renew, we deliver freedom of choice with a range of industry award winning lifestyle and holiday options.

Creating Australia's best lifestyle communities



The Group's values are set out in the Code of Conduct and the Board has approved the Company's statement of values, the Code of Conduct and related policies.

The Remuneration and Nomination Committee assists the Board with monitoring the Company's approach to culture by reviewing the results of employee engagement surveys and informs the Board of material matters relating to culture.

## 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 Group.

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 Group.

The Group's Code of Conduct, which may be viewed on the Group's website, is the subject of periodic review to ensure that it covers all relevant issues and sets standards consistent with the Group's commitment to ethical and responsible behaviours.

Various measures have been established to ensure all staff members observe a high standard of ethical business behaviour. Policies and procedures (which have been reviewed and updated during FY2022) to assist this include:

- Managing conflicts of interests;
- Personal security trading;
- Whistleblower policy and procedures;
- Anti-bribery and corruption policy;
- Acceptance of gifts and entertainment as part of the gifts and hospitality policy; and
- Handling confidential information.

Quarterly Risk and Compliance reporting to the Board and Audit and Risk Committee includes information on any breach of the Code of Conduct, Anti-bribery and Corruption Policy, and Gift and Hospitality Policy.

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 Group in relation to confidential information they possess.

The Group has also implemented (effective 1 August 2022) a new Whistleblower Hotline, which is independently managed by an external provider. The Whistleblower Hotline enables employees to report any concerns, anonymously, about inappropriate conduct, wrongdoing, or breaches of the Group's Code of Conduct, through a safe and independent channel.

The Group's governance policies, including Whistleblower Policy and Anti-Bribery and Corruption Policy can be viewed on the Group's website.

## **Employee and Director Trading in Ingenia Communities Group Securities**

In accordance with ASX Listing Rule 12.9, the Group has a Personal Trading Policy that governs the ability of directors, employees and contractors to trade in the Group's securities. Subject to necessary prior written consents being obtained, the Group's directors, executives and employees may trade in the Group's securities at any time outside closed periods, which cover the following:

- 1 January until the day after the release of half yearly results;
- 1 July until the day after the release of annual results; or
- Any other period determined by the Board.

Directors, employees and contractors may, in exceptional circumstances as defined in the Personal Trading Policy, trade during a closed period but only with the prior written consent of the Chairman for directors, a Non-Executive Director for the Chairman and the CEO for employees and contractors. Notwithstanding the closed periods and approval requirements, a person is prohibited from trading at any time if they possess material, price-sensitive information about the Group that is not generally available to the public.

The Personal Trading Policy also prohibits short term trading, margin lending, short selling and hedging of the Group's securities.

The Group's Personal Trading Policy may be viewed on the Group's website.

**ASX Principle 4 - Safeguard the integrity of corporate reports**

**A listed entity should have appropriate processes to verify the integrity of its corporate reports.**

**ASX Recommendation 4.1**

*The board of a listed entity should:*

- (a) *have an audit committee which:*
  - (1) *has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
  - (2) *is chaired by an independent director, who is not the chair of the board, and disclose:*
    - (3) *the charter of the committee;*
    - (4) *the relevant qualifications and experience of the members of the committee; and*
    - (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*
- (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.*

**ASX Recommendation 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.*

**ASX Recommendation 4.3**

*A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

The Audit and Risk Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Group'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 Group.

The Audit and Risk Committee Charter, which is available on the Group website, takes into account the roles and responsibilities of the Audit and Risk Committee as well as contemporary governance practices. The Audit and Risk Committee Charter includes details on the appointment and oversight of the external auditor. The Group will ensure the external auditor is available to security holders at the Annual General Meeting to answer any questions about the Group's external audit. The present external auditor for Ingenia is Ernst & Young.

Where a periodic corporate report is not required to be audited or reviewed by an external auditor, Ingenia conducts an internal verification process to confirm the integrity of the report, to ensure that the content of the report is materially accurate and provide investors with appropriate information to make informed investment decisions.

The Audit and Risk Committee's current membership and the independence of the members are set out earlier in this Statement. Details of Audit and Risk Committee meetings and attendance by each Committee member are set out in the Directors' Report in the Annual Report (pg. 35).

The qualifications and experience of the members of the Audit and Risk Committee are outlined in the Directors Report in the Annual Report (pg. 32 and 33).

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 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.

**ASX Principle 5 - Make timely and balanced disclosure**

**A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.**

**ASX Recommendation 5.1**

*A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*

**Recommendation 5.2**

*A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*

**Recommendation 5.3**

*A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

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

The Group has a Continuous Disclosure Policy that 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 Group's website.

The Continuous Disclosure 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 Group'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.

The Board currently does not receive copies of all material market announcements after they have been released to the ASX as all material and price sensitive announcements are circulated to the Board for approval immediately prior to being disclosed to the ASX and published on the Group's website.

**ASX Principle 6 - Respect the rights of security holders**

***A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.***

**ASX Recommendation 6.1**

*A listed entity should provide information about itself and its governance to investors via its website.*

**ASX Recommendation 6.2**

*A listed entity should have an investor relations program that facilitates effective two-way communication with investors.*

**ASX Recommendation 6.3**

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

**ASX Recommendation 6.4**

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

**ASX Recommendation 6.5**

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

- The engagement of a full-time General Manager Investor Relations and Sustainability;
- The Group's website under the Investor Centre and About Us tabs;
- Annual and half-year financial reports lodged with the ASX and made available to all security holders;

- Announcement of market-sensitive and other information, including annual and half-year results announcements and analyst presentations released to the ASX; and
- The Chairman and CEO's addresses to, and the results of, the Annual General Meeting.

The Group's website contains a large amount of information for investors, which is all contained in the *Investor Centre* and *About Us* tabs.

The following information for investors is located under the *Investor Centre* tab:

- Security Price details;
- ASX announcements;
- Annual reports;
- Presentations;
- Investor dashboard – with key dates, distribution and tax information, frequently asked questions (including share registry information and contact details, and the forum to contact the Company), Ingenia's portfolio of assets and access to security holdings by investors; and
- Corporate governance charters and policies, and the latest Corporate Governance Statement.

The following information for investors is located under the *About Us* tab:

- General information about the Group and its activities;
- Strategy and vision details;
- Details of the Board of Directors and leadership team; and
- Information on Ingenia Connect.

Information on sustainability is found under the Sustainability tab.

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

The Group 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. Both are made available to security holders and other interested parties via the Group website and ASX.

Security holders have the right, and are encouraged, to attend the Group's Annual General Meeting, held in 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 Group's website and lodged with the ASX. Given the potential health risks and government restrictions in response to the COVID-19 pandemic, Ingenia will continue to monitor the pandemic situation and implement the appropriate measures to facilitate security holders participation at the Ingenia 2022 Annual General Meeting. The 2022 Annual General Meeting will be in the form of a hybrid meeting and further details about how security holders can participate at the Annual General Meeting will be provided in the Notice of Meeting.

In addition, a document will be enclosed with the Notice of Meeting to invite security holders to submit questions of the Board, auditors or management, to be addressed at the Annual General Meeting. Security holders can submit written questions in advance of the meeting via the share registry.

Security holders are encouraged and eligible to vote on all resolutions (subject to voting exclusions that may apply). All resolutions are decided by a poll, allowing all security holders to vote on the basis of the number of securities held by them. Voting on a poll also allows security holders to register their vote regardless of whether they attend the meeting or not. Security holders 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.

Scripts of the Chairman and CEO's address to security holders are also released to the ASX upon the commencement of the Annual General Meeting. These scripts, together with the results of the meeting are also posted on the Group's website, following release to the ASX.

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

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

#### **ASX Principle 7 - Recognise and manage risk**

**A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.**

##### **ASX Recommendation 7.1**

*The board of a listed entity should:*

- (a) *have a committee or committees to oversee risk, each of which:*
  - (1) *has at least three members, a majority of whom are independent directors; and*
  - (2) *is chaired by an independent director,**and disclose:*
  - (3) *the charter of the committee;*
  - (4) *the members of the committee; and*
  - (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*
- (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.*

##### **ASX Recommendation 7.2**

*The board or a committee of the board should:*

- (a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) *disclose, in relation to each reporting period, whether such a review has taken place.*

##### **ASX Recommendation 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 governance, risk management and internal control processes.*

##### **ASX Recommendation 7.4**

*A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.*

The Board determines the overall risk appetite for the Group and has reviewed and approved, (on an annual basis) strategies, policies and practices to ensure that key risks are identified and managed within the approved risk appetite. The application of Group policies and procedures to manage risk is ultimately the responsibility of the Board, which has in turn delegated specific authority to the Audit and Risk Committee.

In addition, the Audit and Risk Committee:

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

The Audit and Risk Committee's current membership and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Audit and Risk Committee meetings and attendance by each Committee member are outlined in the Directors' Report contained in the Annual Report (pg. 35).

The Group's risk management framework is integrated with its day-to-day business processes and functional responsibilities, and is supported by a dedicated Group Risk and Compliance Manager (**GRCM**).

## Internal Audit

Ingenia meets the requirements of recommendation 7.3 through a dedicated GRCM as described above / with responsibilities including implementing systems and controls, as well as assisting management with coordinating and monitoring risks, controls and compliance. The Group also engages additional independent audit services to meet Ingenia's requirements under the compliance plans for the Trusts and the AFSL requirements and where other assurance is required. These are reported to and considered by the Audit and Risk Committee where appropriate and are considered fit for purpose.

During the year the Audit and Risk Committee reviewed Ingenia's approach to assurance and determined to establish a targeted internal audit program and the key aspects of an internal audit function. An independent expert has been engaged to assist with this process with the aim of a targeted internal audit program being in place during FY2023.

## Risk Management Committees

As previously noted in this Statement, the Risk Management Committees, that is GRC and ORC, are Executive Committees established to assist the Audit and Risk Committee in fulfilling its risk responsibilities. Specifically, the GRC deals with Financial Services Risks and the ORC deals with the operating business risks. Both Committees are responsible for overseeing Ingenia's risk culture and framework and carrying out risk assessments for the Group.



## Economic, environmental, and social sustainability risks

Ingenia is cognisant of its impact on the economy, the environment and the communities in which it operates, and the risks associated with not dealing with these aspects appropriately. Accordingly, Ingenia is active in identifying and managing these impacts as well as developing relevant opportunities through its sustainability strategy.

Ingenia is committed to providing its stakeholders with credible, transparent and timely information on its sustainability performance, while effectively balancing its efforts to deliver as well as report. Ingenia annually reports on these matters through proactive disclosure on our website. In preparing our sustainability report, consideration is given to the Global Reporting Initiative (GRI) Standards and recommendations under the Task Force on Climate-related Disclosures (TCFD). Alignment of the sustainability report with the GRI Standards are set out at the end of the sustainability report. For further information on sustainability please refer to:  
<http://www.ingeniacommunities.com.au/sustainability/>

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

**A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.**

#### **ASX Recommendation 8.1**

The board of a listed entity should:

- (a) have a remuneration committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director,
 and disclose:
  - (3) the charter of the committee;
  - (4) the members of the committee; and
  - (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
- (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.

#### **ASX Recommendation 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.

#### **ASX Recommendation 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.

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

- Remuneration of the Group's key management personnel (KMP) and senior executives;
- KMP and senior executive incentive plans;
- Equity based incentive plans;
- Recruitment, retention, performance measurement and termination policies and procedures for Non-Executive Directors, the CEO and any other executive director and all senior executives reporting directly to the CEO; and

- The disclosure of remuneration in the Group's Annual Report.

The current membership of the Remuneration and Nomination Committee and the independence of the members are set out earlier in this Corporate Governance Statement. Details of Remuneration and Nomination Committee meetings and attendance by each Committee member are outlined in the Directors' Report contained in the Annual Report (pg. 35).

The Company distinguishes between the structure of Non-Executive Directors' remuneration and that of Executive Directors and senior executives.

Ingenia rewards executives with a combination of fixed, performance-based and equity-based incentives.

The Group's Remuneration Policy aims to ensure that remuneration packages properly reflect the person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating high calibre people.

The structure of remuneration, as explained below, is designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of long-term value creation for security holders.

The remuneration structures take into account a range of factors, including the following:

- Market benchmarking based on the size and scope of the role;
- The board's view of strategic priorities (balancing short-term and long-term performance);
- Level of experience and contribution to the business (flight risk, replaceability, succession planning);
- The desire to motivate, retain and reward staff for high performance; and
- Expectations of stakeholders including investors, staff and regulators.

Refer to the Remuneration Report, contained in the Annual Report, for details of the mechanisms in place, which link the remuneration outcomes to both individual and the Group's performance.

In relation to ASX Recommendation 8.3, the Company's Personal Security Trading Policy prohibits employee security holders (which includes those who have obtained securities via the equity-based remuneration scheme) short-term trading, margin lending, short selling and hedging 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 security holders, Non-Executive Directors are encouraged to hold INA securities and a policy has been implemented that places a minimum holding requirement of the equivalent of one year's director fees. 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 Group).

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