

IPH Limited 2024 Corporate Governance Statement

IPH Limited ACN 169 015 838





Introduction

The Board of Directors and management of IPH Limited (the **Company**) are committed to high standards of corporate governance. These standards help to ensure that the Company effectively manages risk, maintains appropriate transparency of its operations and creates and maintains value for its stakeholders and its people.

This Corporate Governance Statement reports on the corporate governance framework, practices and policies of the Company. The Company supports the intent and purpose of the 4th Edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**), which the Company has adopted and reported against in their entirety for the financial year ended 30 June 2024.

This Corporate Governance Statement is available on the Company's website at <http://www.iphtd.com.au/investor-information/>. The Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles to the relevant disclosures in either this Corporate Governance Statement or other noted locations, is also available on our website at <http://www.iphtd.com.au/investor-information/>, and has been lodged with the ASX. Information on the Company's governance framework, including many of the policies and other documents referred to in this Corporate Governance Statement, is also available on the Company's website, which is updated regularly.

This Corporate Governance Statement is current as at 22 August 2024 and has been approved by the Board.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 Adopted

The Company has a Board Charter which sets out the responsibilities and functions of the Board and the Managing Director, and specifies those matters reserved to the Board. The Charter also specifies the requirements of directors in performing their duties, the responsibilities of the Chairman, and provides guidelines for directors on independence, access to information, independent advice and continuing development. The Charter is available on our website at <http://www.iphtd.com.au/investor-information/>. The Charter was updated in August 2023.

The number of times the Board met during the 2024 financial year is disclosed in the Directors' Report dated 22 August 2024 (**Directors' Report**). In addition to formal Board and Board Committee meetings throughout the financial year ended 30 June 2024, members of the Board spent time with senior executives and other management personnel of the Company and engaged with other key stakeholders.

Recommendation 1.2 Adopted

Before each current Non-Executive Director was appointed as a director of the Company, the Company undertook appropriate checks as to each individual's character, experience, qualifications and relevant interests. More specifically, as part of the initial public offering process in November 2014, each of the Non-Executive Directors standing for election at that time was screened for matters of character, experience, education, criminal record and bankruptcy history. A similar screening process occurred for the purpose of the appointments of Non-Executive Director, Jingmin Qian, during the 2019 financial year, Non-Executive Director and Chairman, Peter Wame, during the 2022 financial year, Non-Executive Director, Vicki Carter, during the 2023 financial year, and Non-Executive Director, David Wladowski, during the 2024 financial year. Such screening will be a part of the appointment process for future new Non-Executive Directors.

In addition, information to enable shareholders to make an informed decision is provided with respect to all Non-Executive Directors standing for election or re-election as a director.

Recommendation 1.3 Adopted

Each director and senior executive has a written agreement with the Company on the terms of their appointment, including specifying their duties, remuneration and other entitlements, requirement to comply with Company policies, and arrangements with respect to insurance.

The remuneration arrangements for the Non-Executive Directors and Key Management Personnel, and the material terms of the employment agreements with the Managing Director and the Key Management Personnel are set out in the Remuneration Report, which is part of the Directors' Report.

Recommendation 1.4 Adopted

The Company Secretary is accountable to the Board, through the Chairman, and is responsible for supporting the Board and its Committees on matters of governance, including the preparation of meeting papers and meeting minutes.

Recommendation 1.5 Adopted

The Company has a Diversity Policy, which is available on our website at <http://www.iphld.com.au/investor-information/>. The Diversity Policy was updated in May 2022.

The Company recognises that embracing diversity contributes to the Company achieving its corporate objectives, enhances its reputation and enables the Company to:

- > recruit the right people from a diverse pool of talented individuals;
- > create an inclusive workplace culture that embraces diversity and promotes creativity and innovation; and
- > better represent the diversity of the Company's stakeholders.

In order to strengthen gender diversity, the Board adopted measurable objective targets for representation for directors, senior executives and principals for the 2024 financial year as set out in Table A.

Table A also shows the representation of women across the Group as at 30 June 2024.

Table A – Representation of Women

	2023	2024	Target 2024
IPH Limited Board Directors	50%	33%	>30%
Senior Executive ¹ & Principal roles	30%	34%	>30%

As can be seen in Table A above, the Company exceeded the FY24 targets for Board Directors and Senior Executive and Principal roles. Our FY24 Sustainability Report provides more detail on the Group's Gender, Equity and Equality Strategy, introduced in FY24.

In addition, each individual company within the Company's corporate group (IPH Group) with Australian-based employees has submitted an annual report to the Workplace Gender Equality Agency for the reporting period from 1 April 2023 to 31 March 2024, as required under the *Workplace Gender Equality Act 2012* (Cth). Notices of compliance for the reporting period from 1 April 2023 to 31 March 2024 are expected to be issued during FY25. Our FY24 Sustainability Report provides additional information on the Company's median gender pay gap for the 2023 reporting period.

Recommendation 1.6 Adopted

The Company recognises the pivotal role that the Board has in the governance framework of the Company. Under the Board Charter, the Chairman is responsible for scheduling regular and effective evaluations of the Board's performance. An annual Board evaluation was completed in the 2024 financial year.

Recommendation 1.7 Adopted

The Company has developed its formal processes for the performance evaluation of senior executives in conjunction with the People, Remuneration and Nominations Committee.

For the 2024 financial year, the Committee developed and agreed key performance measures for the Chief Executive Officer having regard to the Company's strategic, financial and operational objectives for the year. The Chief Executive Officer, with oversight by the People, Remuneration and Nominations Committee, developed and set key performance measures for other Company senior executives and the performance of senior executives was subject to evaluation against those measures and other appropriate criteria specific to senior executives' roles and responsibilities. A formal review of the Chief Executive Officer's and each senior executive's performance occurs at least annually.

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

Recommendation 2.1 Adopted

The Board has a committee, the People, Remuneration and Nominations Committee, which comprises four Independent Non-Executive Directors, and is chaired by a director who is not the Chairman of the Company. The Committee has responsibility for nomination matters, including board appointments, director re-elections, director induction and continuing development programs. The People, Remuneration and Nominations Committee Charter is available on our website at <http://www.iphld.com.au/investor-information/>.

The members of the People, Remuneration and Nominations Committee, the number of times the Committee met during the 2024 financial year and the individual attendances of the members at those meetings is disclosed in the Directors' Report.

Recommendation 2.2 Adopted

The Board, with the assistance of the People, Remuneration and Nominations Committee, determines the size and composition of the Board, subject to the Company's Constitution. The Constitution provides that the number of directors is to be not less than three and not more than seven. The Board has six directors, comprising five independent Non-Executive Directors (including the Chairman) and the Managing Director. The names of the directors, the period of office held by each director, and details of their qualifications, skills and experience are set out in the Directors' Report and also on our website at <http://www.iphld.com.au>.

The Board requires each director to demonstrate ethical behaviour, independence of mind, sound judgement, high levels of engagement, and highly developed interpersonal skills. In addition, the Company seeks to have a diverse Board which collectively has a range of skills appropriate to the operations and strategic objectives of the Company. The Board has identified a range of skills and experience of particular importance as set out in the Board Skills Matrix below.

As noted above, the Board regularly conducts an evaluation of its performance, including by assessing the Board members' individual competencies and experience against a range of skills and areas of expertise. The Board considers it has the matrix of skills appropriate to the operations and strategic objectives of the Company, and that each director meets the fundamental requirements necessary to govern an ASX listed company with the strategic intent to be the leading intellectual property group in secondary markets.

¹ A senior executive is a person who is a member of the IPH Group leadership team, comprising the Company's senior executive team and leaders of IPH Group member firms.

**Recommendations 2.3, 2.4 and 2.5 Adopted**

The Board has six directors, five of whom are Independent Non-Executive Directors (including the Chairman). Each of the Non-Executive Directors is considered to be independent because each has the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions free of concern about their position or the position of any third party. The Board Charter provides guidelines on independence, which is available on our website at <http://www.iphtd.com.au/investor-information/>. As noted above, the names of the directors, the period of office held by each director, and details of their qualifications, skills and experience are set out in the Directors' Report and also on our website at <http://www.iphtd.com.au>.

Recommendation 2.6 Adopted

Each of the Non-Executive Directors was appropriately inducted into the Company, which supported their full and active participation as directors. All directors are expected to maintain and enhance their skills and knowledge so as to exercise their responsibilities and discharge their obligations to the Company. Directors are expected to participate in appropriate professional development activities. The induction and professional development of directors is a responsibility of the People, Remuneration and Nominations Committee, which regularly assesses whether the directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues. The Committee Charter is available on our website at <http://www.iphtd.com.au/investor-information/>.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly**Recommendation 3.1 Adopted**

The Company and its related entities are leaders in the delivery of intellectual property services and products and each business within the IPH Group is renowned for being a professional, ethical and honest business organisation.

The success of the IPH Group is underpinned by a number of core values, which are set out in the Company's Statement of Values, available on our website at <http://www.iphtd.com.au/investor-information/>. The values set out in the Statement of Values are inculcated across the IPH Group and supported by the standards and behaviours set out in the Company's Code of Ethics and Professional Conduct (see further below). As a result, the IPH Group maintains its reputation and standing in the community as an ethical business organisation, which is important to its ongoing success.

During the 2024 financial year period, all officers and employees across the IPH Group who commenced employment with the IPH Group (other than Smart & Biggar and ROBIC staff) were required to undertake online training on the Company's Statement of Values on the commencement of their employment. During the 2024 financial year period, all Smart & Biggar and ROBIC staff were issued online training on the Company's Statement of Values, following their recent joining of the IPH Group.

Recommendation 3.2 Adopted

The Company has a Code of Ethics and Professional Conduct, which is available on our website at <http://www.iphtd.com.au/investor-information/>. The Code of Ethics and Professional Conduct reflects and reinforces the values which underpin the operation of the Company and the IPH Group, which are disclosed in the Company's Statement of Values. The Code of Ethics and Professional Conduct was updated in May 2022. In addition, all professional staff are governed by various codes of professional conduct for the practice of patent and trade mark attorneys and legal practitioners.

Board Skills Matrix

Knowledge of corporate governance and compliance in listed entities	Intellectual property knowledge and experience
Experience in professional services businesses	Strategic capabilities and commercial acumen
Experience in businesses conducted offshore, particularly Asia	Experience on the boards of other significant listed entities
Experience in human resources management, including workplace culture, management of development and succession, health and safety, diversity, and remuneration	Experience in incorporating digital into business models, and information technology as an enabler in a professional services business
Risk management understanding and experience	Experience in executive leadership
Financial management capability, including accounting or related financial management qualifications	

During the 2024 financial year period, all officers and employees across the IPH Group who commenced employment with the group (other than Smart & Biggar and ROBIC staff) were required to undertake online training on the Company's Code of Ethics and Professional Conduct on the commencement of their employment. During the 2024 financial year period, all Smart & Biggar and ROBIC staff were issued online training on the Company's Code of Ethics and Professional Conduct, following their recent joining of the IPH Group.

Under the Company's risk management framework, material breaches of the Code of Ethics and Professional Conduct should be reported to the Company's Audit and Risk Committee.

Recommendation 3.3 Adopted

The Company has a Whistleblower Policy, which is available on our website at <http://www.iphtd.com.au/investor-information/>. The Whistleblower Policy was updated in August 2022.

The Whistleblower Policy is a practical tool for helping the Company and its related entities identify non-compliant conduct that may not be uncovered unless there is a safe and secure means for disclosing such conduct.

During the 2024 financial year period, all officers and employees across the IPH Group who commenced employment with the group (other than Smart & Biggar and ROBIC staff) were required to undertake online training on the Company's Whistleblower Policy on the commencement of their employment. During the 2024 financial year period, all Smart & Biggar and ROBIC staff were issued online training on the Company's Whistleblower Policy, following their recent joining of the IPH Group.

Under the Company's risk management framework, material breaches of the Whistleblower Policy should be reported to the Company's Audit and Risk Committee.

Recommendation 3.4 Adopted

The Company has an Anti-Bribery Policy, which is available on our website at <http://www.iphitd.com.au/investor-information/>. The Anti-Bribery Policy provides information and guidance on the Company's position on bribery and corruption in the jurisdictions in which the IPH Group operates.

During the 2024 financial year period, all officers and employees across the IPH Group who commenced employment with the group (other than Smart & Biggar and ROBIC staff) were required to undertake online training on the Company's Anti-Bribery Policy on the commencement of their employment. During the 2024 financial year period, all Smart & Biggar and ROBIC staff were issued online training on the Company's Anti-Bribery Policy, following their recent joining of the IPH Group.

Under the Company's risk management framework, material breaches of the Anti-Bribery Policy should be reported to the Company's Audit and Risk Committee.

Principle 4: Safeguard the integrity of corporate reports

Recommendation 4.1 Adopted

In April 2024, the Board merged the Audit Committee and the Risk Committee into a new combined Audit and Risk Committee. The Audit and Risk Committee comprises four independent Non-Executive Directors and is chaired by a director who is not the Chairman of the Company. The Audit and Risk Committee has a Charter which is available on our website at <http://www.iphitd.com.au/investor-information/>. The Committee operates in accordance with the Charter and in a manner compliant with ASX Listing Rule 12.7. The role of the Committee includes the functions listed in Recommendation 4.1.

The names and details of qualifications and experience of each Committee member are detailed in the Directors Report and this information is also available on our website at <http://www.iphitd.com.au>. The number of times the previous Audit Committee (prior to merger) and the new combined Audit and Risk Committee met during the 2024 financial year and the individual attendances of the members at those meetings is disclosed in the Directors' Report.

The members of the Audit and Risk Committee collectively have appropriate accounting and financial expertise, and a sufficient understanding of the business and industry sector in which the Company operates, to discharge the Committee's mandate effectively.

Recommendation 4.2 Adopted

Pursuant to section 295A of the *Corporations Act 2001* (Cth) (*Corporations Act*), the Company's financial report preparation and approval process requires the Managing Director and the Chief Financial Officer to make the following declarations to the Board that, in their opinion:

- > the Company's financial records for the reporting period have been properly kept in accordance with Section 286 of the *Corporations Act*;
- > the financial statements and associated notes comply in all material respects with the accounting standards as required by Section 296 of the *Corporations Act*;
- > in accordance with Section 297 of the *Corporations Act*, the Company's financial reports and accompanying notes represent 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; and
- > these opinions have been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects.

The Board has received these declarations in respect of the 2024 financial year.

Recommendation 4.3 Adopted

The Company has in place processes to verify certain periodic corporate reports prepared and released during the financial year, where those reports were not subject to audit or review by an external auditor, to satisfy itself that each report was materially accurate and balanced and provided investors with appropriate information to make investment decisions. Such periodic corporate reports are drafted by staff with responsibility for, or expertise in, the subject matter and are verified, including by documenting the sources of information and consultation undertaken within the Company or with external parties.

The Board or, where appropriate, Board Committees, review and approve statutory and other significant corporate reports prior to release to the market.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 Adopted

The Company is committed to complying with its continuous disclosure obligations under ASX Listing Rule 3.1 in order to ensure that all investors have equal and timely access to material information concerning the Company. The Company has a Continuous Disclosure and Investor Relations Policy, which is available on our website at <http://www.iphitd.com.au/investor-information/>. In developing this Policy, the Company had regard to ASX Guidance Note 8 and ASIC Regulatory Guide 62.

Recommendation 5.2 Adopted

Copies of all material market announcements are provided to the Company's Board immediately after they have been made.

Recommendation 5.3 Adopted

The Company releases a copy of materials for all new and substantive investor and analyst presentations to the ASX Market Announcements Platform ahead of such presentations. These presentations include results presentations as well as presentations given at the Company's Annual General Meeting, at investor days and to broker conferences.

Principle 6: Respect the rights of security holders

Recommendation 6.1 Adopted

The Board accepts its accountability to shareholders and acknowledges its obligations to engage with shareholders in a manner which allows them to exercise their rights as shareholders effectively. An overview of the Company's business is available on our website at <http://www.iphitd.com.au>. An Investor Information section and News and Announcements section on the website contains the Company's Board and Committee Charters, corporate policies, ASX announcements, notices to shareholders, including the notice of the Annual General Meeting, half year and full year reports, the Company's Annual Report and other periodic corporate reports such as the Company's annual Modern Slavery Statement - <http://www.iphitd.com.au/investor-information/> and <https://www.iphitd.com.au/news-announcements/>.

As noted above, the Company has a Continuous Disclosure and Investor Relations Policy, which is available on our website at <http://www.iphitd.com.au/investor-information/>.

The Company engages its share registry to manage the majority of communications with shareholders.



Recommendations 6.2 and 6.3 Adopted

The Company has an appropriate investor relations program, which includes the Annual General Meeting as the primary forum for communication between the Company and shareholders, a program of analyst and investor briefings, and a facility through our website for shareholder enquiries. The investor relations program is detailed in the Company's Continuous Disclosure and Investor Relations Policy, which is available on our website at <http://www.iphtd.com.au/investor-information/>. The Company also engages with a broad range of other stakeholders, including interactions with professional bodies and government.

Recommendation 6.4 Adopted

The Company ensures that all substantive resolutions at meetings of security holders are decided by a poll rather than by a show of hands.

Recommendation 6.5 Adopted

All shareholders have the option to receive communications from, and send communications to, the Company and the Company's share registry electronically, in addition to postal and facsimile communications.

Principle 7: Recognise and manage risks

Recommendation 7.1 Adopted

The Company recognises that a sound risk management framework is critical for effective management of the Company. An effective risk management system identifies and manages potential risks in a continuous, proactive and systematic way through an integrated application of high quality risk management policies and processes to all facets of our business by all levels of management. The Company's Risk Management Policy is available on our website at <http://www.iphtd.com.au/investor-information/>. The Risk Management Policy was updated in June 2023.

As part of the risk management framework, the Board regularly reviews a revised Risk Appetite Statement. The Risk Appetite Statement is designed to support and inform Board and management decision-making and is reviewed at least annually to ensure ongoing alignment with strategic objectives.

As noted above, in April 2024, the Board merged the Audit Committee and Risk Committee into a new combined Audit and Risk Committee. The Audit and Risk Committee comprises four independent Non-Executive Directors and is chaired by a director who is not the Chairman of the Company. The Audit and Risk Committee's Charter is available on our website at <http://www.iphtd.com.au/investor-information/>.

The Audit and Risk Committee operates in accordance with the Charter and the role of the Committee includes the functions listed in Recommendation 7.1.

The names and details of qualifications and experience of each Committee member are detailed in the Directors' Report and this information is also available on our website at www.iphtd.com.au. The number of times the previous Risk Committee (prior to merger) and the new combined Audit and Risk Committee met during the 2024 financial year and the individual attendances of the members at those meetings is disclosed in the Directors' Report.

As part of the implementation of a revised risk management framework, during the 2023 financial year period, the Company completed the roll out across the IPH Group of an online enterprise governance risk and compliance management software solution, provided by KPMG and known as "Risk Hub". Risk Hub is used to manage risk by users across the IPH Group.

Recommendation 7.2 Adopted

In addition to receiving regular reports on financial, operational and compliance risks, the Board reviews the Company's risk management framework annually to satisfy itself that the framework continues to be sound and that the Company continues to operate with due regard to the risk appetite set by the Board. The Board's annual review of the Company's risk management framework was completed for the 2024 financial year and it was concluded that the framework is sound and the Company continues to operate with due regard to the risk appetite set by the Board.

Recommendation 7.3 Adopted

In the 2021 financial year, the Company implemented an internal audit function. The internal audit function is resourced with external assistance by KPMG. Whilst it is expected internal audit and external audit will work together, they are separate functions. The Company's external audit firm, Deloitte, does not provide internal audit services to the Company.

Internal audit assists the Board and management to coordinate the broader assurance program and deliver an audit programme for key areas to provide additional comfort around significant risks, processes, systems and regulatory requirements where assurance is determined to be a priority for that period.

Internal audit coverage is determined using a structured approach. The Audit and Risk Committee determines the internal audit scope and budget on recommendation from management and then receives reports from KPMG on those areas subject to internal audit review. The Audit and Risk Committee approved an internal audit plan for the 2024 financial year period, which included an internal audit to assess the design and operating effectiveness of the Company's strategies, processes and initiatives regarding managing employee wellbeing at work and an internal audit on payroll processing. The outcome of the review into employee wellbeing was considered by the Audit and Risk Committee and the recommendations of that internal audit review are being implemented by the Company. The review into payroll processing is currently underway, to be completed by the end of calendar year 2024.

Recommendation 7.4 Adopted

During the 2024 financial year, the Company took steps to identify, assess and manage risks in accordance with its risk management framework.

The Company's Sustainability Report, contained within the Company's 2024 Annual Report, provides detail on the Company's approach, past performance and future commitments on environmental, social and governance matters that are significant to our business and key stakeholders.

The Operating and Financial Review (OFR) section of the Directors' Report includes a summary of material risks faced by the Company which may have an impact on the Company's ability to achieve its operational, financial and strategic targets, as well as detail on the Company's approach to the management of such risks.

That section of the Directors' Report also provides detail on the Company's commitment to measuring and reporting on climate-related matters and the progressive implementation of the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). With respect to environmental risks and particularly climate change, in the 2024 financial year, the Company underwent a climate risk assessment in which elevated exposure to the following climate risks has been identified:

- > Policy and Legal risk
- > Market risk
- > Reputational risk

The impact of climate risks on the Company needs to be investigated further to determine materiality. Climate risk management processes are integrated into and therefore managed in accordance with the Company's risk management framework.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 Adopted

As set out above under Recommendation 2.1, the Company has a People, Remuneration and Nominations Committee which comprises four independent Non-Executive Directors and is chaired by a director who is not the Chairman of the Company. The Committee has a Charter which is available on our website at <http://www.iphld.com.au/investor-information/>. The Committee operates in accordance with the Charter, and in a manner compliant with ASX Listing Rule 12.8. The role of the Committee includes the functions listed in Recommendation 8.1.

The names and details of qualifications and experience of each Committee member are detailed in the Directors' Report and are also available on our website at www.iphld.com.au. The number of times the Committee met during the 2024 financial year and the individual attendances of the members at those meetings are disclosed in the Directors' Report.

The members of the Committee collectively have appropriate skills and a sufficient understanding of the business and industry sector in which the Company operates in order to discharge the Committee's mandate effectively.

Recommendation 8.2 Adopted

The Company discloses its policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of the Managing Director and other Key Management Personnel in the Company's Remuneration Report, which is part of the Directors' Report. The Company's disclosure is in accordance with section 300A of the Corporations Act and is subject to an advisory vote by shareholders.

Recommendation 8.3 Adopted

The Company has a Hedging and Margin Loan Policy which is available on our website at <http://www.iphld.com.au/investor-information/>. This Policy, which complies with section 206J of the Corporations Act, prohibits directors, executives, the Company Secretary, and any person who is entitled to receive equity performance rights and / or options as part of any Company equity incentive scheme, from entering into any hedging arrangements, and prohibits entry into margin lending arrangements without the Company's consent.