

# Board Charter

ImpediMed Limited (ACN 089 705 144) (**Company**)

Adopted by the Board on 20 July 2022

## 1. Introduction

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The Board of Directors of the company (**Board**) is responsible for the corporate governance of the Company. The purpose of this charter is to specify how the Company is governed so as to promote confidence in the Company and protect the interests of shareholders.

This charter sets out the roles and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, the framework for the operation of the Board as well as the membership of the Board.

## 2. Role and Responsibilities of the Board

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### 2.1 Role

The role of the Board is to demonstrate leadership, define the Company's purpose, establish overall strategic objectives, approve the Company's statement of values and Code of Conduct and effective oversight of management. The Board ensures that the activities of the Company comply with its Constitution, from which the Board derives its authority to act, and with legal and regulatory requirements.

To achieve this role, the Board has reserved to itself the following specific responsibilities.

### 2.2 Strategy

The Board is responsible for:

- (a) demonstrating leadership;
- (b) setting the Company's strategic objectives;
- (c) defining the Company's purpose;
- (d) approving the Company's statement of values and code of conduct to ensure the desired culture within the Company;
- (e) ensuring that a process is in place so that it is informed of any material breaches of the code of conduct;

## IMPEDIMED LIMITED BOARD CHARTER

- (f) overseeing the development of the Company's corporate strategy through engagement with senior executives;
- (g) reviewing and approving strategic and financial plans and performance objectives of the Company consistent with the corporate strategy, and reviewing the assumptions and rationale underlying the strategic plans and performance objectives; and
- (h) monitoring and overseeing management's implementation of the Company's strategic objectives, instilling of the Company's values and its performance generally.

### 2.3 Oversight of Management

The Board is responsible for:

- 1) the appointment and if appropriate, the removal of the Chief Executive Officer (**CEO**) and the Company Secretary;
- 2) approving succession plans for key individuals;
- 3) monitoring senior executives' performance and implementation of the Company's strategic objectives against measurable and qualitative indicators, instilling of the Company's values, encouraging enhanced effectiveness and ensuring that appropriate resources are available;
- 4) approving the Company's remuneration framework, remuneration policies and practices and satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- 5) approving the Delegated Authority Policy;
- 6) providing advice and counsel to management;
- 7) whenever required, challenging management and holding it to account; and
- 8) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board to enable the Board to perform its responsibilities.

### 2.4 Shareholders

The Board is responsible for seeking to promote effective engagement with shareholders and providing them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively. This includes:

- (a) giving ready access to information about the Company and its governance, including on its website;
- (b) implementing an investor relations program to facilitate two-way

## IMPEDIMED LIMITED BOARD CHARTER

communications with investors;

- (c) communicating openly with shareholders, including by electronic means; and
- (d) encouraging and facilitating the participation of shareholders in their meetings.

### 2.5 Other Stakeholders

The Board is responsible for:

- (a) establishing and monitoring policies governing the Company's relationship with other stakeholders and the broader community; and
- (b) establishing and maintaining, to the extent relevant, environmental, employment and occupational, health and safety policies and other regulatory and statutory requirements.

### 2.6 Ethics and Responsible Decision-Making

The Board is responsible for:

- (a) promoting ethical and responsible decision-making and charging management with the responsibility for creating a culture in the Company of ethical and responsible behaviour, including:
  - (i) acting in the best interests of the Company;
  - (ii) acting with high standards of personal integrity
  - (iii) complying with applicable laws, regulations, codes and policies; and
  - (iv) not knowingly participating in any illegal or unethical activity;
- (b) establishing, monitoring and promoting a code of conduct to guide its director's, management and employees in the practices necessary to maintain confidence in the Company's integrity (including encouraging the reporting of unlawful or unethical behaviour and protecting whistleblowers who report violations in good faith);
- (c) approving the Company's Whistleblower Policy;
- (d) ensuring that a process is in place so that it or a committee of the board is informed of any material incidents reported under the Whistleblower Policy; and
- (e) establishing, monitoring and promoting a Diversity Policy to outline the Company's commitment to diversity and inclusion in the workplace, and set out a framework to achieve these diversity goals.

## IMPEDIMED LIMITED BOARD CHARTER

### 2.7 Oversight of Financial Management and Capital Management

The Board is responsible for:

- (a) monitoring the integrity of the Company's accounting and corporate reporting systems (including the external audit) and requiring that financial records are properly maintained, and financial statements comply with appropriate accounting standards;
- (b) reviewing and approving annual and half-yearly financial reports;
- (c) approving and monitoring the annual financial budget the Company;
- (d) monitoring financial results on an ongoing basis;
- (e) considering removal or replacement of the external auditor;
- (f) reviewing, approving and monitoring the progress of major capital expenditure, major acquisitions and divestitures and material commitments;
- (g) capital management, including approving decisions affecting the capital of the Company, capital structure or restructure and major financing arrangements; and
- (h) determining the dividend policy of the Company and determining the basis upon which dividends will be paid.

### 2.8 Compliance and Risk Management

The Board is responsible for:

- (a) identifying, analyzing and evaluating material risks for the Company on an ongoing basis;
- (b) setting risk appetite guidance within which the Board expects management to operate (including the nature and extent of risks that can be taken to meet objectives) and monitoring the Company's operations within that guidance;
- (c) satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks);
- (d) establishing and monitoring a system of internal compliance, risk management and control, and systems of legal compliance that govern the operations of the Company, and monitoring that they are operating effectively;
- (e) approving the statement in the directors' report on the main internal and external risk sources that could adversely affect the Company's prospects for future financial years (as required by the Corporations Act);
- (f) overseeing and regularly reviewing a system for identifying, assessing,

## IMPEDIMED LIMITED BOARD CHARTER

monitoring and managing material risk throughout the Company, and informing investors of material changes to the Company's risk profile;

- (g) overseeing and regularly reviewing systems of internal compliance, risk management and control, and systems of legal compliance that govern the operations of the Company, and monitoring that they are operating effectively; and
- (h) overseeing and regularly reviewing written policies, codes and procedures governing compliance and risk oversight and management.

### 2.9 Disclosure and communication

The Board is responsible for overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price of value of the Company's securities.

The Board is also responsible for managing and reviewing annually the Company's Disclosure and Communication Policy and considering whether any revisions to these policies are required.

## 3. Role and responsibilities of Chairman and Company Secretary

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### 3.1 The Chairman

The Chairman is appointed by the Board and should be where possible an independent, non-executive director. Also, where possible, the Chairman should not also perform, or have performed, the role of Chief Executive Office of the Company during the past three years. The Chairman is responsible for:

- (a) chairing Board meetings and shareholder meetings;
- (b) seeking to ensure the efficient organisation and conduct of the Board's function;
- (c) seeking to ensure that all directors are briefed on Board matters and leading the Board in reviewing and discussing Board matters;
- (d) seeking to facilitate effective contribution by all directors and monitoring Board performance;
- (e) seeking to achieve the objective that membership of the Board is skilled and appropriate for the Company's needs;
- (f) seeking to promote constructive and respectful relations between Board members and between the Board and management;
- (g) reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and

## IMPEDIMED LIMITED BOARD CHARTER

(h) ensuring the efficient organisation and conduct of the Board's function.

### 3.2 Company Secretary

The Company Secretary is appointed by the Board and is accountable to the Board through the Chairman on all corporate governance matters and the proper functioning of the Board.

The Company Secretary shall be available to all directors and board committees.

The Company Secretary is responsible for:

- (a) monitoring that policies and procedures of the Board are followed;
- (b) organising Board and committee meetings, director attendance, draft notices of meetings and resolutions for approval, and coordinating the dispatch of Board and committee meeting papers;
- (c) preparing minutes of meetings and resolutions of the Board and committees;
- (d) advising the Board and committees on governance matters;
- (e) assist in organizing and facilitating the induction of new directors;
- (f) seeking to ensure that the Company complies with its requirements under the Corporations Act regarding its registered office, annual returns and notices to be lodged with ASIC; and
- (g) liaise with regulatory authorities as required.

## 4. Delegations of Authority

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### 4.1 Delegations to Committees

The ultimate responsibility for the oversight of the operations of the Company rests with the Board. However, the Board may delegate its responsibility to committees to consider certain issues in further details and then report back to and advise the Board.

The Board has established the following three committees:

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

These committees operate in accordance with their Committee charters approved by the Board.

The Board will review the composition and effectiveness of the committees on an annual basis. The Board may also establish other committees from time to time to consider other matters of special importance.

## IMPEDIMED LIMITED BOARD CHARTER

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chairman of each committee will provide a report on Committee meetings to the Board at the next full Board meeting.

### 4.2 Delegation to CEO and Management

The Board has delegated to the CEO the authority to manage the day-to-day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself and its committees under their respective charters or under specific limitation or guidance from the Board.

The Board may impose further specific limits on CEO delegations. These delegations of authority will be outlined in the company's Delegated Authorities Policy and will be reviewed by the Board as appropriate from time to time.

The CEO has authority to sub-delegate to the senior management team who are responsible for:

- (a) implementing the strategic objectives or, and operating within the risk appetite set by the Board and for all other aspects of the day-to-day running of the Company; and
- (b) providing the Board with information to enable the Board to perform its responsibilities.

From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

## 5. Membership

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### 5.1 Composition and Size

The Board will consist of a majority of independent non-executive directors. The Company will disclose the names of the directors considered by the Board to be independent directors in its Corporate Governance Statement. The Chairman of the Board must, where possible, be an independent non-executive director

The Directors will determine the size of the Board, subject to the Company's constitution and applicable law, including the rules concerning Board limits under the Corporations Act. The Constitution of the Company provides that there will be a minimum of 3 directors and not more than 7 directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.

### 5.2 Board Skills Matrix

The Company seeks to have directors with an appropriate range of skills, knowledge,

## **IMPEDIMED LIMITED BOARD CHARTER**

experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business.

The Company will have a Board skills matrix setting out the skills and diversity that the Board has or is looking for in order to identify any gaps in skills that the Board seeks.

The Board skills matrix will be reviewed on an annual basis to ensure it remains appropriate for the business.

The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

### **5.3 Appointment and Re-Election of Directors**

The process of selection and appointment of new directors to the Board is that the Nomination Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise that best complement the Board's effectiveness. These candidates are then recommended to the Board. When the Board considers that a suitable candidate has been found that person may be appointed by the Board to fill a casual vacancy in accordance with the Company constitution but must stand for election by shareholders at the next annual general meeting.

Non-executive directors are appointed pursuant to formal letters of appointment setting out the terms and conditions of the appointment to ensure that directors understand their key responsibilities and the Board's expectations. Directors will be expected to participate in an induction or orientation program on appointment and any continuing education or training arranged for them.

Directors must retire from office in accordance with the Company's constitution and ASX Listing Rules. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman together with the Company Secretary will determine those directors who are to be re-elected by shareholders. The Board will assess the performance of any director standing for re-election and the Board will then determine if their re-election will be recommended to shareholders (in the absence of the director involved).

All material information considered relevant to a decision on whether or not to elect or re-elect a director will be disclosed to shareholders, including the director's relevant skills and experience, details of other material directorships currently held by the candidate, the length of service currently served by the directors, whether the director is considered independent and a statement by the board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

### **5.4 Independence**

All directors – whether independent or not – should bring an independent judgement to bear on all Board decisions.



## IMPEDIMED LIMITED BOARD CHARTER

A director is considered an independent director if he or she is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders.

A director who:

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

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances. In each case, the materiality of the interest, position, association 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 Company and its shareholders generally.

The Board will regularly assess the independence of each director in light of the interests disclosed by them and formally document independence against the above criteria on an annual basis. Each independent director must provide the Board with any relevant information for this. The outcome of this assessment will be reflected in the corporate governance statement.

Any change to a director's independent status will be disclosed to the market in a timely fashion.

### 5.5 Conduct of Individual Directors

Directors must at all times act in accordance with legal and statutory requirements and

## IMPEDIMED LIMITED BOARD CHARTER

devote sufficient time to discharge their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) notify other directors of their material personal interests and take reasonable steps to avoid actual, potential or perceived conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) make reasonable enquiries if relying on information or advice provided by others;
- (g) undertake any necessary inquiries in respect of delegates;
- (h) give the Company or ASX all the information required by the Corporations Act;
- (i) not permit the Company to engage in insolvent trading; and
- (j) consult the Chairman if considering an invitation to become a director of any other company (except a related body corporate) and have regard to the views of the Chairman about the director acting as a director of an external entity, and best practice standards on multiple Directorships.

## 6. Board Process

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### 6.1 Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act.

Non-executive directors should arrange to meet at least twice each year to conduct non-executive discussions of board and management issues.

All directors are expected to prepare adequately for, attend and participate at each Board meeting. Directors are committed to collective decision-making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilize their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they

## IMPEDIMED LIMITED BOARD CHARTER

are required to be disclosed.

The Board may request or invite management or external consultants to attend Board meetings if necessary or desirable.

The Board may conduct meetings by telephone, video conference or other electronic means.

### **6.2 Circular Resolutions**

The Company constitution allows for urgent board matters to be dealt with via a Circular Resolution. Circular Resolutions must be approved by all directors entitled to vote on the resolution. Directors may record their approval of a Circular Resolution by email. Circular Resolutions will be noted in the business of the next formal board meeting and will be noted in the Board minutes of the following meeting.

### **6.3 Independent Professional Advice**

Following consultation with the Chairman, directors may seek independent professional advice at the Company's expense. Generally, this advice will be available to all directors.

### **6.4 Access to Management**

The directors have complete and open access to management following consultation with the Chairman and the CEO.

### **6.5 Notice, Agenda and Papers**

Unless otherwise agreed or considered necessary by the Chairman, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting papers, will be circulated by the Company Secretary to each Board member and any other individual invited to attend, not less than three business days before the meeting but preferably five business days prior to the meeting.

## **7. Board Performance Evaluation**

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The Board recognises the importance of regular reviews of its effectiveness and performance. Periodically the Board will review and evaluate:

- (a) its own performance, including against the requirements of this charter;
- (b) the performance of its committees;
- (c) the performance of individual Directors; and
- (d) the performance of its senior executives,

against both measurable and qualitative indicators. The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

## **8. Review and Publication of Charter**

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The Board is responsible for reviewing this charter and to determine its appropriateness to the needs of the Company on an annual basis. The charter shall be amended by resolution of the Board.

This charter will be available on the Company's website and the key features will be published in the Corporate Governance Statement.