



## CORPORATE GOVERNANCE STATEMENT 31 DECEMBER 2021

### 1. ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

- 1.1 The Board of Iress Limited (**Iress**) is committed to complying with the ASX Corporate Governance Principles and Recommendations issued from time to time by the ASX Corporate Governance Council.
- 1.2 During 2021, Iress complied with each of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition), as set out in this Corporate Governance Statement.
- 1.3 The Board has approved this Corporate Governance Statement.

### 2. INTRODUCTION

- 2.1 Iress' Board works under a set of well-established corporate governance policies that reinforce the responsibilities of all directors in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Australian Securities Exchange (**ASX**). Many of the governance elements are enshrined in Iress' Constitution. In addition, the Board operates in accordance with a Board Charter, which is intended to supplement the description of the Board's responsibilities as set out in the Constitution.
- 2.2 Iress' policies and corporate governance practices are reviewed periodically and will continue to be developed and refined to meet the needs of Iress.
- 2.3 This Corporate Governance Statement outlines the key aspects and mechanisms of Iress' governance framework, which have been established, and kept under review, by the Board. Copies of or summaries of the charters under which the Board and Board committees operate and other relevant information referred to in this Corporate Governance Statement (including relevant policies) are available on Iress' website at:

<https://www.iress.com/trust/corporate-governance/>

### 3. BOARD AND MANAGEMENT RESPONSIBILITIES

#### The Board

- 3.1 The Board has ultimate responsibility to set strategy and policy for the business and affairs of Iress and its subsidiaries (**Group**) for the benefit of Iress and the general body of shareholders, after considering regulatory matters and other ethical expectations and obligations. The Board is accountable to shareholders for the performance of the Group.
- 3.2 The Board's responsibilities and functions include:
  - (a) Purpose and Culture:
    - (i) to approve a statement of values for Iress and oversee management in its efforts to instil those values; and
    - (ii) to monitor and promote sound business and corporate values and reinforce a culture across the organization of acting lawfully, ethically and responsibly.

- (b) Strategy and planning:
  - (i) to review and approve corporate strategies, budgets, plans and policies developed by management and evaluate performance of Iress against those strategies and business plans in order to:
    - (A) monitor the performance of functions delegated to the executive team including the progress of major capital expenditure, capital management, acquisitions, divestitures and strategic commitments; and
    - (B) assess the suitability of Iress' overall strategies, business plans and resource allocation;
  - (ii) constructively to challenge management and drive strategic thinking; and
  - (iii) to monitor and drive the performance (used in its widest sense) of Iress.
- (c) Chief Executive Officer (**CEO**)/Managing Director (**MD**) and senior management (comprising the direct reports to the CEO/MD):
  - (i) to appoint a CEO/MD for the ongoing management of the business and execution of its strategies and periodically evaluate the performance of the CEO/MD;
  - (ii) on the recommendation of the CEO/MD, to approve the appointment of and periodically evaluate the performance of members of the Group's senior management; and
  - (iii) to ensure that appropriate executive succession planning is conducted.
- (d) Remuneration and performance:
  - (i) to approve the Group's overall remuneration strategies, policies and practices;
  - (ii) to determine the remuneration of directors, and remuneration and incentive policies and packages for the CEO/MD;
  - (iii) to ensure that Iress' remuneration policies are aligned with the company's purpose, values, strategic objectives and risk appetite; and
  - (iv) to approve any new equity plans for the Group
- (e) Financial and risk management:
  - (i) to monitor financial and business results (including the audit process) to understand the financial position of the Group, and to oversee the Group's financial position;
  - (ii) to ensure the integrity and adequacy of annual and half year financial statements, and to approve these financial statements in accordance with the Corporations Act; and
  - (iii) to ensure that there are robust risk management systems in place.
- (f) Governance compliance:
  - (i) to monitor the effectiveness of Iress' governance practices;
  - (ii) to monitor and promote regulatory compliance;
  - (iii) to oversee Iress' 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 or value of the company's securities;
  - (iv) to enhance and protect the reputation of Iress; and
  - (v) to oversee shareholder reporting and communications.
- (g) Nomination of Directors:
  - (i) to monitor the effectiveness of the Board, and nominate new directors as required;

- (ii) to arrange professional development or training for Directors as required to ensure the Board collectively has the skills, knowledge and expertise to deal with new and emerging business and governance issues; and to develop a process for evaluating the performance of the Board.
- 3.3 In carrying out its duties, the Board meets regularly to discuss matters relevant to Iress, with additional meetings held as required to address specific issues.
- 3.4 Consistent with its obligation pursuant to the Board Charter and as stated above at paragraph 3.2(a)(i), the Board has approved Iress' Statement of Values, available on Iress' website at:  
<https://www.iress.com/about/about-us/>

## **Management**

- 3.5 The Board delegates management of Iress' resources to the Leadership Team under the leadership of the CEO/MD. Any powers not specifically reserved for the Board are deemed to have been delegated to the CEO/MD and executive team, including:
  - (a) development and implementation of Board approved strategies; and
  - (b) day-to-day operation and management of the Group.
- 3.6 Iress undertakes appropriate checks before appointing a person as a director or senior executive and has a written agreement with each director and senior executive setting out the terms of their appointment or employment and describing their roles and responsibilities.

## **4. ETHICAL STANDARDS**

### **Code of Ethics and Conduct Policy**

- 4.1 The Group is committed to upholding high legal, moral and ethical standards in all of its corporate activities and has adopted a Code of Ethics and Conduct Policy, which aims to strengthen its ethical climate and provide basic guidelines for situations in which ethical issues arise. The Code of Ethics and Conduct Policy applies to directors, executives and employees, globally and sets standards for ethical behaviour and business practice beyond complying with the law. The Code of Ethics and Conduct Policy is based on key principles whereby Iress:
  - (a) strives to do business with customers and suppliers of sound business character and reputation;
  - (b) strives to maintain the highest standard of ethical behaviour in business dealings and to behave with integrity in all dealings with customers, shareholders, government, employees, suppliers and the community;
  - (c) does not knowingly support any public or private organisation which espouses discriminatory policies or practices; and
  - (d) expects all employees to perform their duties with honesty, truthfulness and integrity.
- 4.2 Material breaches of the Code of Ethics and Conduct Policy will be reported to the Chair of the Board or the relevant subcommittee.
- 4.3 It is the policy of Iress to comply with all applicable laws, including those relating to employment, discrimination, health, safety, trade practices and securities. Iress has also developed procedures to ensure that employees are aware of and discharge their obligations under relevant privacy laws in their handling of information provided to the Group.
- 4.4 No director, executive, officer or manager of Iress has authority to disregard any law or to direct another employee or any other person to violate any law on behalf of Iress.
- 4.5 Iress' ethical practices and procedures are reviewed regularly, and processes are in place to promote and communicate these policies within Iress.

## Whistleblowing Policy

- 4.6 Iress encourages its employees to speak up about any unlawful, unethical or irresponsible behaviour within the company.
- 4.7 Iress' Whistleblowing Policy details how all employees (including agency workers, contractors and self-employed contractors) may report any instances they identify in the workplace which they have reasonable grounds to suspect represent inappropriate, unethical, illegal or fraudulent conduct. Management would as a matter of course inform the Board of any material breaches of the Whistleblowing Policy. If a whistleblower is not happy with the way in which their concern has been handled, they can raise it with the Legal team, the People@Iress team or any of Iress' parent company Directors, as appropriate.
- 4.8 In some cases, it may be appropriate for a person to report their concerns to an external body. Iress has contracted Your Call Whistleblowing Solutions as an external service provider to confidentially and independently receive and manage disclosures from Iress employees.

## Anti-Bribery and Corruption Policy

- 4.9 Iress does not tolerate any form of bribery or corruption and acts to ensure that neither it nor any third party acting on its behalf, acts corruptly in its dealings with any person or entity.
- 4.10 Iress has an Anti-Bribery and Corruption Policy that sets out Iress' responsibilities, and those of the people working for and with it, in observing and upholding Iress' position on bribery and corruption. The policy also provides information and guidance to employees and other people working for and with Iress on how to identify and deal with bribery and corruption issues. Management would as a matter of course inform the Board of any material breaches of the Anti-Bribery and Corruption Policy.

## 5. DIVERSITY

- 5.1 Iress has a broad and diverse employee base across several international jurisdictions. The Board monitors diversity (including gender diversity) under a broad definition at the Board and executive levels and broadly across the general staff base. The Board continues to observe no indicators of bias or impediments to diversity and believes Iress' diversity ratios reflect well on the Group.
- 5.2 The Board has adopted a formal diversity policy and each year reports on and sets measurable objectives for achieving gender diversity in the composition of the Board, senior executives and workforce generally, as one specific and important aspect of that diversity policy. The policy requires that the Board assesses the measurable objectives annually, as well as Iress' progress against achieving them. This, together with setting the measurable objectives, is done by the Board in conjunction with the People and Performance Committee. The diversity policy and list of measurable objectives are available on Iress' website:

<https://www.iress.com/trust/corporate-governance/governance-documents/diversity-policy/>; and

<https://www.iress.com/trust/corporate-governance/governance-documents/gender-diversity/>

- 5.3 The measurable objectives for achieving gender diversity set by the Board in February 2021 and Iress' progress as at December 2021 in achieving those measurable objectives are described below:

Background and Objective	2021 Objective	31 December 2021 Update
<b>1. Promoting Diversity within Iress</b>		
Improving our gender workforce composition globally	Iress adopts a three year objective to increase female representation across Iress to 40% against its current population of 35% by December 2024.	Iress has increased its female representation from 35.5% to 35.7%.

<b>2. Attracting Diverse Talent</b>		
In 2020, Iress made progress in its hiring practices to reduce bias using virtual tools to support the changing world of recruitment. In 2021, Iress aims to make a more focused effort to ensure these changes create change in its workforce.	Target 40% female candidate representation for leadership role recruitment processes	Iress did not meet this objective; there was 35% female representation for Leadership applicants.  Current female representation in the Iress Leadership Team reporting into Executives is 37.8% and for the leadership level below is 41.7%.
<b>3. Ensure there continues to be no gender bias in remuneration</b>		
Iress' objective is to continue to ensure that there is no remuneration disparity or bias in our remuneration policies and processes, ensuring people are fairly and consistently rewarded. In implementing such policies and processes, Iress aims to maintain pay equity for like roles and performance.	Undertaking annual role-by-role remuneration reviews (by country) to ensure role gender remuneration parity.	Gender analysis was completed across regions and functions following the annual salary review. 63% of females received an increase versus 59% of males; ranging from 55% to 87% within the region.
<b>4. Establish Iress as Diversity and Inclusion Leader</b>		
Employer of Choice recognition demonstrates an organisation which has an active commitment to achieving gender equality.	Maintain WGEA employer of choice status.  Maintain 'Endorsed Employer' status with Work180 in both the UK and Australia.  Continue to partner in the Tech Talent Charter and Women in Finance Charter in the UK.	Iress achieved this objective.  Iress holds a citation for Employer of Choice for Gender Equality for the period 2019-2021.  Iress has maintained status with Work180 and continues to partner with Tech Talent Charter and Women in Finance Charter in the UK.

#### 5.4 As at 31 December 2021:

- (a) there were 3 female directors out of a total of 6, amounting to 50% of the Board, excluding the CEO/MD. Including the CEO/MD, the 3 female directors constitute 42.86% of the Board;
- (b) there were 2 female executives out of a total of 7, amounting to 28.57%, compared to 21.00% the previous year; and there were 802 females, out of a total of 2228 people employed by the Group, amounting to 35.99%, compared to 35.58% as at 31 December 2020.

Executives for the purposes of this definition included Iress' KMP (excluding the CEO/MD and non-executive directors).

## 6. RISK MANAGEMENT

### General

- 6.1 The Group has exposure to both financial and non-financial risks and is committed to having risk management policies, processes and practices that support a high standard of risk governance, enabling management to undertake prudent risk-taking activities.

- 6.2 All business activities contain an element of risk. Iress' philosophy toward risk is to identify the risks in advance, determine potential risk mitigation strategies, assess the risk in terms of the risk/reward equation and then determine how to proceed. Calculated risk taking is viewed as an essential part of Iress' approach to creating long term shareholder value.
- 6.3 The Board is responsible for approving Iress' risk management strategy and policies, including the overall internal control framework and believes appropriate policies and procedures are in place to oversee and manage risk.
- 6.4 The Board has adopted a risk appetite statement, risk management policy and a risk management framework. Under the policy and framework, the tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the CEO/MD, the Chief Financial Officer (**CFO**) and the Group General Counsel, including responsibility for the day to day design and implementation of Iress' risk management and internal control system.
- 6.5 The risk management function of the Board is performed by the Audit & Risk Committee, the terms of reference for which are set out in the Audit & Risk Committee Charter. Management, through the Executive Risk Committee, reports to the Audit & Risk Committee on Iress' key risks and the extent to which it believes these risks are being adequately managed. The reporting on risk by management is a periodic agenda item at Audit & Risk Committee meetings. The risk reporting framework is generally reviewed annually to ensure it continues to be sound and that Iress is operating with due regard to the risk appetite set by the Board. Iress initiated a review of its risk management framework in 2020 and that review extended into 2021 in light of the acquisition in November 2020 of OneVue Holdings Limited (**OneVue**). A key outcome of this review was the establishment of a dedicated Risk & Compliance function in late 2021, reporting into the Group General Counsel. This new, specialist function is responsible for providing risk and compliance oversight to Iress' various business units, setting enterprise-wide risk standards and practices, and driving strategic initiatives aimed at uplifting risk culture and capability across the organisation.

#### **Internal Audit**

- 6.6 In considering the internal control framework and with specific reference to Recommendation 7.3 of the ASX Corporate Governance Principles and Recommendations, the Board has determined for the present not to establish an internal audit function. Iress has in place a range of processes to evaluate and continually improve its governance, risk management and internal control processes, as described below:
- (a) Financial reporting - there is a comprehensive budgeting system with an annual budget approved by the directors. Monthly actual results are reported against budget or an alternative benchmark (where considered appropriate) and revised internal forecasts for the year are prepared regularly. Procedures are also in place to ensure that disclosure obligations are reviewed and information is reported to the ASX in accordance with continuous disclosure requirements. Iress' independent external auditor also reports periodically to the Audit & Risk Committee on their annual audit process, which includes consideration of the key controls and information technology systems that govern Iress' financial reporting framework.
- (b) CEO/CFO Declaration - the CEO/MD and CFO provide a written declaration to the Board in relation to the full year accounts, as is required by section 295A of the Corporations Act, and a corresponding declaration for the half year accounts, pursuant to principle 4.2 of the ASX Corporate Governance Principles and Recommendations. These written declarations are made following receipt of supporting internal control assurance letters, signed by the senior executives of all key business units, as well as by finance managers.
- (c) Compliance & Regulatory - Iress has compliance and regulatory obligations as a listed entity and is also directly regulated as the holder of Australian Financial Services Licences under which Iress delivers various solutions. These include its superannuation administration service, managed funds administration services and platform administration service. Iress manages these obligations through its internal Risk & Compliance team, which reports to the Chief Legal Officer. Any material compliance and regulatory issues are considered by the Executive Risk Committee and reported, as required, to the Audit & Risk Committee.

- (d) Quality and integrity of personnel - Iress' human resource related policies and procedures are directed towards achieving the highest levels of service and integrity.
- (e) External advice - from time to time, Iress engages external experts, particularly in the areas of legal, compliance, tax and valuation matters, to provide specialist advice and technical expertise to support management in performing their duties.
- (f) Operating controls - procedures, including information systems controls, are appropriately documented. Exception and corrective action reports highlight any departures from these procedures.
- (g) Functional specialty reporting - at various times (for example pre and/or post an acquisition), the Board may request additional ad-hoc information to address a particular area of concern or risk.
- (h) Information security governance controls - Iress holds an ISO/IEC 27001:2013 certification for its Information Security Management System, which has an effective date of 28 November 2021 to 21 April 2025. ISO/IEC 27001:2013 certification requires organisations to put in place a broad range of internal information security risk controls designed to reduce the likelihood of information security incidents, whether innocent or malicious, and to reduce the impact of such incidents if and when they occur. Iress fulfils this information security risk and audit obligation with a combination of internal resources and external specialist security consultancies performing a number of internal information security audits and risk assessments across the organisation each year according to a three year information security audit plan.

Iress is subject to annual independent audits to uphold its certification to the ISO 27001 Information Security Management Standard See: <https://www.iso.org/isoiec-27001-information-security.html> Full recertification audits are carried out every three years, with independent intermediate maintenance audits performed each year in between to ensure Iress' ongoing compliance with the standard. Iress' last audit was in October 2021. This was a full re-certification audit, extending our certification to 2025.

Accountability for the ongoing ISO/IEC 27001:2013 certification and execution of the management approved information security strategy sits with the Chief Information Security Officer (**CISO**), who reports to the Chief Technical Officer and updates the Board as required. The CISO leads a dedicated global information security team the members of which have appropriate skills and qualifications to perform their roles, augmented by external information security consultancy resources as required.

## 7. MATERIAL EXPOSURE TO ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

### Economic Risks

- 7.1 Iress operates in a dynamic, international and highly-regulated industry and is exposed to economic risks over which it often has limited control.
- 7.2 Economic conditions, domestically and internationally, can impact client revenue and accordingly client demand for Iress' solutions and services. This risk is mitigated by Iress' diverse geographic presence and diverse product portfolio, though as noted above the industry which Iress services is international, meaning that economic issues are seldom isolated to single countries.
- 7.3 Iress is also exposed to foreign exchange movements which may affect the value of profits repatriated to Australia. Iress' presence in several jurisdictions and the increase in relative revenue contributions from those jurisdictions tends to ameliorate some of this exposure. Iress reports the financial performance of its offshore operations in both local currency and in AUD, to enable investors to better understand the performance of the underlying business.
- 7.4 The risk of a pronounced shift in technology or in the way market segments organise themselves and make use of Iress' products or solutions is another economic risk. Iress endeavours to manage this risk by maintaining a highly-skilled technology workforce, who constantly consider and test the

potential utilisation or impact of emerging technologies. In the same way, Iress endeavours to manage market change risks by maintaining a high degree of engagement with its customers.

- 7.5 Further information about these, and other risks that Iress faces, as well as how we seek to manage them, are detailed in the 2021 Annual Report (see pages 22 to 23).

#### **Environmental Sustainability Risk**

- 7.6 With the known impacts of climate change, and greater visibility of environmental considerations across the supply chain, taking action on environmental issues is critical. As a technology company, energy consumption is one of our key impacts. Energy is consumed through operations and suppliers (data centres) and contributes to greenhouse gas emissions. Via an environmental management system and the inclusion of emissions reduction in our strategy, we have started to measure emissions data across the business and create awareness. Once measured, the intention is to set science-based targets for an emissions-reduction pathway.

#### **Social Sustainability Risk**

- 7.7 Iress' zero tolerance for modern slavery is communicated to all suppliers, contractors, and business partners at the outset of those business relationships, and reinforced thereafter. Iress is required to report on compliance with the Modern Slavery Act 2015 (UK) – the UK Modern Slavery Act, and the Modern Slavery Act 2018 (Cth) – the Australian Modern Slavery Act. In 2021, Iress established a cross functional modern slavery working group with representation from ESG, Legal, Risk, Compliance, Procurement, IT and HR, and Executive oversight with responsibilities to identify and address modern slavery risks.
- 7.8 So far as concerns the wellbeing of Iress employees, Iress' People & Performance Committee is responsible for monitoring issues and trends relating to occupational health and safety (**OH&S**). Periodic reports on these matters are provided to the People & Performance Committee by management. There were no material OH&S issues in 2021.
- 7.9 Iress periodically conducts staff engagement surveys across its global employee base. The results of these surveys are used to assess and react to key human capital management issues including corporate culture, and staff engagement and satisfaction. Survey results are assessed across a range of factors including gender, function and geography.
- 7.10 Iress launched the Iress Foundation in March 2017, an initiative which encourages engagement by people in their local communities.

#### **ESG Reporting**

- 7.11 In March 2019, Iress published an inaugural comprehensive report dealing separately with Environmental, Social and Governance (**ESG**) matters. Iress has and will continue to publish a yearly ESG report.

### **8. BOARD COMPOSITION AND INDEPENDENCE**

- 8.1 The Board's policy is that there should be a majority of independent, non-executive directors to ensure that Board discussions or decisions have the benefit of predominantly outside views and experience and that the majority of directors are free from interests and influences that may create a conflict with their duty to Iress. Maintaining a balance of experience and skills is an important factor in Board composition. Details of each director are set out in summary biographies included on the corporate website. A description of skills and attributes sought in directors is set out below in section 9 together with a matrix of skills of existing directors.
- 8.2 The Board has adopted the definition of independence set out in the ASX Corporate Governance Principles and Recommendations and applies the guidelines set out with that definition to determine whether the director is generally free of any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Iress.
- 8.3 The Chair must be an independent director appointed by the Board, and the role of Chair and CEO/MD cannot be fulfilled by the same person.

8.4 All of the non-executive directors on the Board (including the Chair) were, during the reporting period, independent. Moreover, in the opinion of the Board, the composition of the Board fairly represents the interests of all shareholders in Iress.

## 9. DIRECTORS' SKILLS AND EXPERIENCE

### Sought after skills

9.1 In terms of skills and experience, the Board values the following attributes:

- (a) strategic and commercial skills and experience from related and other businesses, promoting rigorous dialogue with management and providing focused and broader insight and perspectives;
- (b) practical and commercial experience in developing and implementing successful strategic plans;
- (c) industry experience, preferably with similar businesses or other businesses which leverage technology and in particular knowledge, and experience of the financial markets and wealth management industries served by Iress, each of which assists the Board in evaluating the role of and potential for Iress' technology in those industries;
- (d) financial numeracy and literacy, which may include direct experience in financial accounting and reporting or in investment banking or corporate finance. These skills underpin the ability to probe the adequacy of financial reports and internal controls as well as testing forecasts and assumptions in support of organic investments and acquisitions;
- (e) human resource management experience to assist the Board in formulating and managing CEO/MD succession plans, in setting remuneration policy and in applying that policy to promote shareholder value through targeted and transparent short term and long term incentive programme;
- (f) international experience from relevant businesses or industries outside Australia; and
- (g) corporate governance experience and a commitment to the highest standards of corporate governance, that being essential for a publicly listed company and an organisation with international operations and international investors.

### Skills matrix

9.2 The mix of skills and experience of the directors is set out in the matrix below.

Name	Background	Appointed	Elected / Re-Elected	General consistency with sought after skills (in section 9.1)
Mr R Sharp	Financial, Technology and Governance. Substantial Executive and Non-Executive Director experience within the technology sector. Knowledge of ESG reporting trends and stakeholder expectations.	18 February 2021	6 May 2021	✓
Ms N Beattie	Financial technology, regulatory experience, capital markets, strategic advisory. Substantial Executive and Non-Executive Director experience. Experience with stewardship responsibilities	1 February 2015	7 May 2015 3 May 2018 6 May 2021	✓

	for ESG/sustainability and reporting tools and trends.			
Mr J Cameron	Technology industry, development and strategy, CEO and marketing experience.	15 March 2010	5 May 2010 2 May 2013 4 May 2016 2 May 2019	✓
Mr M Dwyer	CEO, strategy, superannuation, funds management, government. Board oversight of ESG/sustainability. Substantial Executive and Non- Executive Director experience and knowledge of reporting trends and stakeholder expectations for ESG.	1 February 2020	7 May 2020	✓
Ms J Fahey	Strategy, Technology, Business Transformation, Major Program Delivery. Substantial Executive and Non-Executive Director experience. Knowledge of reporting trends and stakeholder expectations for ESG/sustainability.	5 October 2017	3 May 2018 6 May 2021	✓
Ms T Vonhoff	Investment, retail banking, risk, technology, agribusiness, financial markets. Substantial Executive and Non-Executive Director experience.	1 February 2020	7 May 2020	✓

### **Link between Board skills and Company strategy**

9.3 The Board considers that individually and collectively, it has strong capability across a range of diverse but relevant skills and attributes and in particular for a business such as Iress. Such skills, together with the experience of the Board, are suitable to drive the short, medium and long term strategic objectives of the Company, and reflect the Company's role as the provider of, principally, financial markets and wealth management software in Australia and other global markets.

## **10. BOARD RENEWAL, APPOINTMENT, INDUCTION, TERM AND OTHER DIRECTORSHIPS**

10.1 The Board plans for its own succession and renewal.

10.2 In identifying candidates, the Board takes account of the then current mix of skills and experience represented on the Board. The Board acknowledges the importance of careful planning for succession and renewal and in specifying a process for identifying and engaging with potential candidates who would complement any gaps in the skills, experience and diversity (including gender diversity) of the Board as then constituted.

10.3 The Board undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director and provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. This information is generally provided through the Notice of Meeting for the relevant meeting of shareholders and through the director addressing that meeting.

- 10.4 The Board has a programme for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. This programme includes arranging periodic workshops in conjunction with scheduled Board and committee meetings to ensure the directors are informed of matters relevant to their role as directors.
- 10.5 In accordance with Iress' constitution, all directors other than the CEO/MD are required to seek re-election at least once every three years on a rotating basis.
- 10.6 In order to ensure that composition of the Board will change over time, the Board has a general policy that non-executive directors should not serve for a period exceeding 12 years, and that the Chair should not serve in that role for more than 10 years. None of the current non-executive directors have been directors for a period exceeding 12 years (the longest tenure as at 31 December 2021 was John Cameron at 11 years and 9 months).
- 10.7 Directors are required continually to evaluate the number of Boards on which they serve to ensure that each can be given the time and attention required to fulfil their duties and responsibilities. Directors are required to seek approval from the Chair prior to accepting an invitation to become a director of any corporation.

## 11. **BOARD ACCESS TO INFORMATION, COMPANY SECRETARIAL SUPPORT AND INDEPENDENT ADVICE**

- 11.1 All directors have unrestricted access to all employees of the Group and, subject to the law, access to all Company records and information held by Group employees and external advisers. The Board receives regular detailed financial and operational reports from executives.
- 11.2 The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- 11.3 Any director can seek independent professional advice at Iress' expense in the furtherance of his or her duties, subject to prior discussion with the Chair. If this occurs, the Chair must notify the other directors of the approach, with any resulting advice received to be generally circulated to all directors.

## 12. **REMUNERATION**

- 12.1 Non-executive directors are paid an annual fee within a fixed amount approved for all non-executive directors by shareholders. The total aggregate maximum annual amount approved by Iress' shareholders is currently \$1,500,000 per annum, which was approved by the shareholders at the Annual General Meeting in 2019.
- 12.2 For further information relating to the Group's remuneration practices, and details relating to directors' and executives' remuneration during the financial year, see the Audited Remuneration Report in the Annual Report.
- 12.3 Other than as reported in the Annual Report, no additional fees were paid to directors for serving on subcommittees during the period. As members of management, executive directors, when appointed, do not receive any additional directors' fee.
- 12.4 The relevant interests of each director in the share capital of Iress at the date of this report, as notified to the ASX pursuant to the ASX Listing Rules (**Listing Rules**) and section 205G of the Corporations Act, are set out in the Annual Report.

## 13. **CONFLICT OF INTEREST**

- 13.1 In order to ensure that any interests of a director in a particular matter to be considered by the Board are brought to the attention of all the directors, Iress has developed protocols consistent with obligations imposed by the Corporations Act and the Listing Rules, to require each director to disclose any contracts, offices held, interests in transactions and other directorships which may involve any potential conflict. Appropriate procedures have been adopted to ensure that, where the possibility of a material conflict arises, relevant information is not provided to the director, and the

director does not participate in discussions on the particular issue, or vote in respect of the matter at the meeting where the matter is considered.

#### 14. **BOARD COMMITTEES**

- 14.1 The Board has two standing committees, namely an Audit & Risk Committee and a People & Performance Committee. Iress has adopted an Audit & Risk Committee Charter and a People & Performance Committee Charter to define the tasks and responsibilities delegated to those committees.
- 14.2 The Board periodically reviews the Audit & Risk Committee and People & Performance Committee Charters.
- 14.3 Executives attend Board and committee meetings by invitation whenever particular matters arise that require management presentations or participation.
- 14.4 With specific reference to Recommendation 2.1 of the ASX Corporate Governance Principles and Recommendations ('...The board of a listed entity should have a nomination committee...'), the Board has determined that the nomination of directors is a matter for consideration by the entire Board and therefore determined not to have a separate Nomination Committee. Instead, the Board is responsible for its own succession planning, and for ensuring that it has an appropriate balance of skills, knowledge, experience, independence and diversity. The Board's nomination responsibilities are referred to in 3.2(g) and 10.1-10.2 above, and are addressed in Iress' Board Charter.

#### 15. **AUDIT & RISK COMMITTEE**

- 15.1 Each member of the Audit & Risk Committee during 2021 was an independent, non-executive director. During 2021, the Audit & Risk Committee comprised:
- T Vonhoff (Chair) (appointed Chair 6 May 2021)
  - J Hayes (Chair) (resigned as Chair and from the committee 6 May 2021);
  - M Dwyer;
  - J Fahey;
  - G Tomlinson (resigned from the committee 6 May 2021).
- 15.2 Members of the Audit & Risk Committee are financially literate and the Board is of the opinion that the members of the committee possess sufficient financial expertise and knowledge of the industry in which Iress operates. Details of the qualifications of the Audit & Risk Committee members and their attendance at committee meetings are included in the Annual Report.
- 15.3 The Audit & Risk Committee reviews the financial statements, adequacy of financial controls and the annual external audit arrangements and reviews and oversees systems of risk management and internal controls. It monitors the controls and financial reporting systems, applicable Company policies, national and international accounting standards and other regulatory or statutory requirements.
- 15.4 The Audit & Risk Committee also liaises with Iress' external auditors, reviews the scope of their activities, their remuneration and independence, and advises the Board on their appointment and removal. The lead external audit partner and review partner are each rotated periodically.
- 15.5 The CFO, other relevant company officers (as required) and the lead external audit partner participate at meetings of the Audit & Risk Committee.
- 15.6 The Board has adopted a policy that Iress' external auditor shall not provide non-audit services that may detract from the external auditor's independence and impartiality or be perceived as doing so. Any other services provided by the external auditor are reviewed on a case by case basis and must be approved in advance by the Audit & Risk Committee Chair where the value of those services is below a specified value or by the full committee where that value is exceeded.

- 15.7 The Board requires the external auditor to attend Iress' Annual General Meeting to answer questions from security holders relevant to the audit. The external auditor was present at Iress' 2021 Annual General Meeting.
- 15.8 Iress, through the Audit & Risk Committee, has complied with its obligations under Recommendation 4.1(a)(1) and (2) and Recommendation 7.1(a)(1) and (2) of the ASX Corporate Governance Principles and Recommendations.
- 15.9 In addition, in satisfaction of Recommendation 4.2 of the ASX Corporate Governance Principles and Recommendations and in conjunction with the Corporations Act, the Board, before it approves Iress' financial statements for a relevant financial period, receives from its CEO/MD 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.

## 16. PEOPLE & PERFORMANCE COMMITTEE

- 16.1 The role of the People & Performance Committee in relation to remuneration matters is to assist and advise the Board to fulfil its responsibilities on matters relating to the compensation, bonuses, incentives and remuneration issues of all staff, including the executives but excluding directors. The People & Performance Committee is also responsible for reviewing the performance evaluations prepared by the CEO/MD for the direct reports to the CEO/MD, and reporting on these evaluation criteria and their application to the Board, as well as developing and regularly reviewing succession plans prepared by the CEO/MD for the CEO/MD's direct reports, and for other senior executives.
- 16.2 The People & Performance Committee Charter allows directors to access the services of independent professional advisers. The committee may use such services to assist in the search for high-calibre people at all levels and to ensure that the employment terms and conditions offered by Iress are competitive with those offered by comparable companies.
- 16.3 Each member of the People & Performance Committee during 2021 was an independent, non-executive director. During 2021, the People & Performance Committee comprised:
- J Fahey (Chair);
  - N Beattie;
  - J Cameron;
  - M Dwyer; and
  - T Vonhoff.
- 16.4 Details of the qualifications of the People & Performance Committee members and their attendance at committee meetings are included in the Annual Report.
- 16.5 Iress, through the People & Performance Committee, has complied with its obligations under Recommendation 8.1(a)(1) and (2) of the ASX Corporate Governance Principles and Recommendations.

## 17. CONTINUOUS DISCLOSURE

- 17.1 The Board has a Disclosure and Communications policy and has procedures in place which are designed to ensure that information reported to the ASX is in accordance with the continuous disclosure requirements of its Listing Rules. The Board regularly reviews Iress' compliance with its continuous disclosure obligations. The Company Secretary is responsible for coordinating disclosure of information to the ASX, the Australian Securities and Investments Commission and shareholders as well as for providing the Board with copies of all material market announcements promptly after they have been made.
- 17.2 In addition to Iress' obligations to disclose information to the ASX and to distribute information to shareholders, Iress:

- (a) publishes annual and half-year reports, media releases, and other relevant publications on its website, at <https://www.iress.com>;
  - (b) gives its shareholders the option to receive communications from, and send communications to, the entity and its security registry electronically; and
  - (c) releases a copy of substantive new analyst and investor presentations to the ASX ahead of the presentation.
- 17.3 The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and discussion of the Group's strategy and goals. In 2021, Iress encouraged shareholders to participate at the company's hybrid Annual General Meeting.
- 17.4 With the aim of ascertaining the true will of the shareholders attending and voting at a meeting of shareholders, all substantive resolutions at a meeting of shareholders are decided by a poll rather than a show of hands.

## 18. PERIODIC REPORTING

- 18.1 Referring to recommendation 4.3 of the ASX Corporate Governance Principles and Recommendations, Iress publishes limited periodic unaudited reports. These comprise the annual directors' report, and the Environment, Social and Governance Report (**ESG Report**) (first published in April 2019). Prior to publication, these reports undergo a rigorous process of internal review to determine the integrity of those reports through the Marketing & Communications function, the Group General Counsel, CFO and CEO and other disciplines as required by the subject matter. The Board is confident that these reports are materially accurate and provide a balanced view of the information contained in the reports.

## 19. DIRECTOR MINIMUM SHAREHOLDER REQUIREMENT

- 19.1 The Board acknowledges the importance of aligning the interests of non-executive directors with the interests of shareholders and, to that end, the Board has adopted a policy according to which all non-executive directors, within three years of their appointment or by 31 December 2022, are required to accumulate Iress shares in an amount equivalent in value to the base level annual director fee (that is, excluding additional fees for holding the position of Chair of any Board subcommittee or holding the position of Board Chair). During the three year period, non-executive directors are expected to acquire and hold one third of the required amount in each year following their appointment.

## 20. SECURITIES DEALINGS

- 20.1 The Board has adopted an employee Share Trading policy. The policy precludes directors, executives and employees from dealing in Iress' securities during three defined blackout periods, as follows:
- (a) in relation to the full year results, from 15 December to the close of trading on the business day after the day Iress' annual results are announced to the ASX;
  - (b) in relation to the half yearly results, from 15 June to the close of trading on the business day after the day Iress' half yearly results are announced to the ASX; and
  - (c) in relation to the AGM, from two weeks prior to the date of Iress' AGM to the close of trading on the business day after Iress' AGM.
- 20.2 Subject to insider trading laws, dealing in shares outside these periods is permitted without prior approval from the Board, the CEO/MD or the Company Secretary. In the case of directors (and their associates), prior notification to the Chair (or in the case of the Chair, the Chair of the Audit & Risk Committee) is required for all dealings in Iress' securities and in the case of other senior executives (and their associates), notification to the CEO/MD or CFO is required.
- 20.3 All directors, executives and employees are prohibited from trading in Iress' securities at any time if they possess price-sensitive information not available to the market and which could reasonably be expected to influence the market. At no time may directors, executives and employees engage in short term dealings in Iress' shares.

20.4 Hedging of unvested share rights is also prohibited. The Board's view is that any share right participant who enters into such schemes on the unvested component of their rights would be in breach of the terms and conditions of the grant, and the Board would exercise its right to cancel any of these hedged share rights.

20.5 As required by the Listing Rules, Iress notifies the ASX of any transaction conducted by directors in the securities of Iress.

## **21. ENGAGEMENT WITH SHAREHOLDERS**

21.1 Iress acknowledges the importance of engendering a sound understanding of the company's business, strategy, performance and governance amongst its investor community (shareholders and their various representatives) and has an investor relations programme to facilitate engagement with investors. This programme includes engagement through ASX market announcements, publication of material on Iress' Investor Relations webpage and analyst briefings convened from time to time during the year and in particular in conjunction with Iress' full and half year results announcements. Iress also engages with proxy advisers to discuss issues relating to trending and best practice in corporate governance.

## **22. BOARD AND SENIOR EXECUTIVE EVALUATION**

22.1 The Board periodically undertakes an evaluation of the performance of the Board, its committees and individual directors and on a regular cycle (generally every third year) commissions an external and independently facilitated evaluation. Members of Iress' executive key management personnel are included as contributors in the evaluation process. The Board engaged an independent professional firm to evaluate its performance as well as that of its committees and individual directors in 2021. The evaluation was continuing as at 31 December 2021 with the results of the evaluation to be presented to the Board in the first quarter of 2022.

22.2 The performance of senior executives is evaluated each year by the CEO/MD and the People & Performance Committee. That process involves assessing the performance of the senior executives against strategic objectives. Those objectives are derived from the overall corporate strategic objectives. Such an evaluation was undertaken for 2021.

## **23. ADDITIONAL CORPORATE GOVERNANCE INFORMATION**

23.1 The corporate governance section of Iress' website contains various materials relating to corporate governance, including the Board Charter, Committee Charters, Code of Ethics and Conduct Policy, and other information (including relevant corporate governance policies).