

24 August 2022

Attention: Company Announcements

ASX Limited

By E-Lodgement

Appendix 4G and Corporate Governance Statement

InvestSMART Group Limited ACN 111 772 359 (ASX:INV) (the **Company**) encloses its 2022 Appendix 4G and the Company's Corporate Governance Statement.

For further information, please contact Mr Paul Clitheroe (Chairman) or Mr Ron Hodge (Managing Director and CEO) at InvestSMART Group on (02) 8305 6000.

By order of the Board

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

INVESTSMART GROUP LIMITED

ABN/ARBN

62 111 772 359

Financial year ended:

30 JUNE 2022

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: www.investsmart.com.au/shareholder-centre/governance.

The Corporate Governance Statement is accurate and up to date as at 18 August 2022 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 24 August 2022

Name of authorised officer
authorising lodgement: CATHERINE TEO – COMPANY SECRETARY

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	☒ Corporate Governance Statement (Section 2) and we have disclosed a copy of our board charter at: www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	☒ Corporate Governance Statement (Section 3)	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	☒ Corporate Governance Statement (Section 4)	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	☒ Corporate Governance Statement (Section 3)	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “insert location” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	☐ and we have disclosed a copy of our diversity policy at: [insert location] and we have disclosed the information referred to in paragraph (c) at: [insert location] and if we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.	☒ set out in our Corporate Governance Statement (section 11) <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: Corporate Governance Statement (section 10) and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Corporate Governance Statement (section 10)	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	☒ and we have disclosed the evaluation process referred to in paragraph (a) at: Corporate Governance Statement (section 10) and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Corporate Governance Statement (section 10)	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement (section 6.2) OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	☒ and we have disclosed our board skills matrix at: our Corporate Governance Statement <i>[insert location]</i>	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	☒ and we have disclosed the names of the directors considered by the board to be independent directors at: Corporate Governance Statement (section 3) and, where applicable, the information referred to in paragraph (b) at: Corporate Governance Statement (section 3) and the length of service of each director at: Pages 9-10 of the Annual Report.	☐ set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	☒	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	☒ Corporate Governance Statement (sections 4 and 12)	☐ set out in our Corporate Governance Statement OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	☒ and we have disclosed our values in: our Code of Conduct, located at www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	☒ and we have disclosed our code of conduct at: www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	☒ and we have disclosed our whistleblower policy at: www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	☐ and we have disclosed our anti-bribery and corruption policy at: [insert location]	☒ set out in our Corporate Governance Statement (section 1)
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	☐ [If the entity complies with paragraph (a):] and we have disclosed a copy of the charter of the committee at: [insert location] and the information referred to in paragraphs (4) and (5) at: [insert location] [If the entity complies with paragraph (b):] and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at: [insert location]	☒ set out in our Corporate Governance Statement (section 6.1)

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	☒ Corporate Governance Statement (section 13)	☐ set out in our Corporate Governance Statement
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	☒ Corporate Governance Statement (section 8)	☐ set out in our Corporate Governance Statement
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	☒ and we have disclosed our continuous disclosure compliance policy at: www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	☒	☐ set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	☒	☐ set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	☒ and we have disclosed information about us and our governance on our website at: www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	☒ Corporate Governance Statement (section 14)	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	☒ and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Corporate Governance Statement (section 14)	☐ set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	☒	☐ set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	☒ Corporate Governance Statement (section 14)	☐ set out in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement (section 6.1)

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	☒ and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Corporate Governance Statement (sections 6.1 and 13)	☐ set out in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	☒ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed how our internal audit function is structured and what role it performs at: N/A <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: Corporate Governance Statement (section 13)	☐ set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	☒ and we have disclosed whether we have any material exposure to environmental and social risks and how we manage or intend to manage those risks in the 2022 Annual Report – Directors' Report, and the Environmental, Social and Governance Policy at: www.investsmart.com.au/shareholder-centre/governance	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	☐ <i>[If the entity complies with paragraph (a):]</i> and we have disclosed a copy of the charter of the committee at: <i>[insert location]</i> and the information referred to in paragraphs (4) and (5) at: <i>[insert location]</i> <i>[If the entity complies with paragraph (b):]</i> and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <i>[insert location]</i>	☒ set out in our Corporate Governance Statement (section 6.2) <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	☒ and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: Corporate Governance Statement (section 6.2)	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	☒ and we have disclosed our policy on this issue or a summary of it at: Corporate Governance Statement (section 6.2)	☐ set out in our Corporate Governance Statement <u>OR</u> ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> ☐ we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	☐ and we have disclosed information about the processes in place at: [insert location]	☐ set out in our Corporate Governance Statement OR ☒ we do not have a director in this position and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and this recommendation is therefore not applicable OR ☐ we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	☐	☐ set out in our Corporate Governance Statement OR ☒ we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable ☐ we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	☐ and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	☐ set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	☐ and we have disclosed the terms governing our remuneration as manager of the entity at: <i>[insert location]</i>	☐ set out in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

Corporate governance includes the policies and practices by which InvestSMART Group Limited (*Company*) and its controlled entities (*Group Entities*) (collectively, *Group*) are effectively managed. Those policies and practices prescribe:

- our ethics;
- the accountability of the Board for financial performance and growth; and
- the management of the risks which are encountered in running a company reliant upon the performance of financial assets and investments.

In developing corporate governance policies and practices for the Group, the Company takes into account the Constitution of the Company (*Constitution*) and applicable legislation and standards, including:

- *Corporations Act 2001* (Cth) (*Corporations Act*);
- Australian Securities Exchange Listing Rules (*Listing Rules*);
- Corporate Governance Principles and Recommendations, 4th Edition published by the ASX Corporate Governance Council (ASXCGC); and
- legislation governing Australian Financial Services Licences and other licences held by members of the Group.

The information in this Statement is current as at 1 August 2022 and has been approved by the Board.

1. CODE OF CONDUCT

The Company's Code of Conduct prescribes that Directors, senior executives and employees must act with the utmost integrity and objectivity, striving at all times to demonstrate that the Company is worthy of the trust and confidence placed in it to help members with their financial security. The Code of Conduct sets the standards of behaviour that are expected by the Company from its Directors, senior executives and employees to deliver the right outcomes for all stakeholders and underpins the Company's corporate culture of acting lawfully, ethically and responsibly.

The Code of Conduct lists the Company's values, being:

- Do what is right
- Achieve high standards
- Be accountable
- Strive to exceed members' expectations
- Respect each other.

The Code of Conduct can be downloaded at: www.investsmart.com.au/shareholder-centre/governance.

While the Company does not have an anti-bribery and corruption policy, the principles of such a policy are contained with the Company's Code of Conduct and Conflicts of Interest Policy. Any material breaches of these policies are notified to the Board.



2. RESPONSIBILITIES AND FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board operates under a Board Charter which is reviewed annually to ensure it remains consistent with the Board's objectives, duties and responsibilities. Under that Charter, the role of the Board is to protect and enhance sustainable shareholder value through:

- ensuring the control and accountability framework in place requires all significant issues relating to the operation and performance of the Company and Group Entities to be brought to the attention of the Board;
- monitoring governance policies, practices and systems to ensure they are effective and appropriate;
- monitoring risk policies, practices and systems to ensure they are effective and appropriate; and
- where appropriate, constituting Board Committees to assist the Board in the fulfilment of its responsibilities.

The Board's responsibilities include:

- the consideration and approval of corporate strategy proposed by management and monitoring its implementation;
- overseeing and monitoring financial performance;
- approving financial and other reporting to shareholders, employees and other stakeholders of the Company;
- ensuring that the Company has appropriate human, financial and physical resources to execute Company strategies;
- reviewing Board and management succession planning;
- appointing, removing and monitoring the performance of the Managing Director and Key Management Personnel;
- appointing and removing the Company Secretary;
- considering and monitoring risks;
- reviewing the effectiveness of Company policies and procedures regarding risk management;
- reviewing the effectiveness of the Company's internal control and accounting systems;
- ensuring appropriate corporate governance structures are in place including standards of ethical behaviour and a culture of corporate and social responsibility;
- overseeing the Company's continuous disclosure obligations;
- reporting to shareholders and other stakeholders; and
- capital management.

The Board Charter was reviewed in August 2022. It can be downloaded from the Company's website at: www.investsmart.com.au/shareholder-centre/governance.



To assist the Board to carry out its responsibilities and functions, certain powers have been delegated to certain members of the senior management team, including the authority to undertake transactions and incur expenditure on behalf of the Group, up to specified thresholds.

Processes have been established to ensure that management provides relevant information to the Board to enable the Board to make informed decisions and effectively discharge its duties. The Board may also request additional information where necessary and may seek independent advice should it wish to do so.

3. BOARD STRUCTURE

The Constitution provides for a minimum of three Directors and a maximum of twelve Directors.

The Company undertakes appropriate checks before appointing a person as a Director or putting forward a person as a candidate for election as a Director. All material information in the possession of the Company, which is relevant to whether or not a person should be elected or re-elected a Director, is provided to shareholders prior to an election taking place.

At the date of this Statement, the Board comprises an independent non-executive Chairman, two independent non-executive Directors and the Managing Director. Although Mr Paul Clitheroe has received performance-based remuneration as a participant under the Company's Employee and Directors Share Plan approved by shareholders at the Company's 2020 Annual General Meeting, the Board has determined that such participation is not material and will not interfere with Mr Clitheroe's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole.

The Directors' Report included in the 2022 Annual Report provides the details of the Directors in office during the year ended 30 June 2022, together with their experience, expertise and qualifications and the number of Board meetings each attended during the year.

As at the date of this Statement, the Directors are:

Independent Chairman:	Mr Paul Clitheroe AM
Managing Director:	Mr Ron Hodge
Lead Independent Non-Executive Director:	Mr Michael Shepherd AO
Independent Non-Executive Director:	Ms Effie Zahos

Consistent with the ASXCGC Corporate Governance Principles and Recommendations, a majority of the Board is independent. The Board believes that at this time in the development of the Company, the current allocation of responsibilities among the Directors is most practical and effective for the Company and in the best interests of shareholders.

The Board annually assesses the mix of skills, knowledge and experience which best suit the business conducted by the Company. The Board considers that the current Directors have an appropriate mix of skills for the Company, including core skills in financial services, governance, marketing, digital distribution and product development.



The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

4. TERMS OF APPOINTMENT OF DIRECTORS

The Company issues letters of appointment to Directors, which include:

- term of appointment;
- expectations regarding the Director's involvement and time commitment envisaged;
- powers and duties of Directors;
- circumstances in which the office of director will become vacant;
- remuneration and expenses;
- requirements regarding interests (including the disclosure of interests in securities) and independence;
- compliance with Company policies, including the Board Charter, Code of Conduct and Securities Trading Policy;
- induction and training;
- access to independent advice;
- indemnification and insurance; and
- confidentiality and the right of access to Company information.

Directors appointed by the Board to fill a casual vacancy or as an addition to existing Directors (other than a Managing Director) are appointed only to the conclusion of the general meeting following their appointment and must stand for election at that general meeting. Otherwise, Directors (other than any Managing Director) retire at the later of the third anniversary of their appointment or the conclusion of the third Annual General Meeting after their appointment and are available for re-election. Details of Directors, their experience, expertise and qualifications are set out in the Directors' Report included in the 2022 Annual Report.

The appointment and removal of any Managing Director is a matter for the Board as a whole.

5. DIRECTORS' INTERESTS AND INDEPENDENCE

The Board has in place processes to ensure that conflicts of interest are managed appropriately throughout the Group.

Directors are required to immediately notify the Company of interests or changes to interests as they arise. The Company Secretary maintains a register of Directors' interests. That register is updated as interests or changes in interests are notified and it is reviewed at the commencement of each regular Board meeting.

The Board assesses the independence of Directors and makes a determination in respect of each Director taking into account:

- specific disclosures made by the Director; and



- the factors relevant to assessing the independence of a directors set out in the ASX Corporate Governance Principles and Recommendations published by the ASXCGC.

6. COMMITTEES OF THE BOARD

Under the Constitution the Directors may delegate any of their powers to a committee or committees. Any committees established by the Board:

- are entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise;
- are entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require; and
- operate in accordance with a charter or terms of reference established by the Board.

6.1 AUDIT, RISK AND COMPLIANCE COMMITTEE

The Charter of the Audit, Risk and Compliance Committee can be downloaded from the Company's website at: www.investsmart.com.au/shareholder-centre/governance.

This Committee assists the Board to fulfil its corporate governance and oversight responsibilities in relation to:

1. Audit – the Committee reviews the integrity of the Group's financial reporting and oversees the independence of the external auditor;
2. Compliance – the Committee reviews the integrity of the Group's compliance framework;
3. Risk – the Committee assists the Board in fulfilling its risk management responsibilities as defined by applicable law and regulations, the Constitution and other applicable standards.

The Committee consists of not less than two members appointed by the Board. Where possible, a majority of members will be independent non-executive Directors. The Board appoints the Chairman of the Committee, who must be an independent non-executive Director. Preferably, the Chairman of the Board is not also the Chairman of the Committee.

In determining membership of the Committee, the Board seeks to identify and appoint:

- members who can all read and understand financial statements and are otherwise financially literate;
- at least one member with financial expertise either as a qualified accountant or other financial professional with experience in financial and accounting matters; and
- at least one member who has an understanding of the financial services industry.



The current Chairman of the Committee is Mr Michael Shepherd AO and the second Committee member is Mr Paul Clitheroe AM. The Board considers that a two-member Committee is appropriate given the size and complexity of the business. The current Committee members are not executives.

Details of the relevant qualifications and experience of the members of the Committee and number of meetings of the Committee held during the year ended 30 June 2022 are set out in the Directors' Report included in the 2022 Annual Report.

6.2 NOMINATION AND REMUNERATION COMMITTEE

The Charter of the Nomination and Remuneration Committee can be downloaded at: www.investsmart.com.au/shareholder-centre/governance.

The Committee:

1. reviews and makes recommendations to the Board in relation to nomination matters;
2. develops and recommends to the Board strategies on gender diversity for the Board, committees of the Board and all other levels of the Company and Group Entities;
3. reviews and makes recommendations to the Board in relation to remuneration matters;
4. reviews and brings to the attention of the Board matters relating to:
 - remuneration structure including long term incentive arrangements and participation;
 - senior executive and key staff succession plans;
 - recruitment, retention and termination strategies;
 - the Remuneration Report of the Company; and
 - other matters identified from time to time by the Board.

The Committee consists of not less than two members appointed by the Board. Where possible, a majority of members will be independent non-executive Directors. The Board appoints the Chairman of the Committee. Preferably, the Chairman of the Board is not also the Chairman of the Committee.

The current Chairman of the Committee is Mr Michael Shepherd AO and the second Committee member is Mr Paul Clitheroe AM. The Board considers that a two-member Committee is appropriate given the size and complexity of the business. The current Committee members are not executives.

Details of the number of meetings of the Committee held during the year ended 30 June 2022 are set out in the Directors' Report included in the 2022 Annual Report.

Details about the Company's remuneration policies and practices are set out in the 2022 Remuneration Report included in the 2022 Annual Report. The 2022 Remuneration Report distinguishes the structure of Directors' remuneration from that of senior executives.



The Company has equity-based remuneration schemes. Hedging of unvested shares is prohibited under the Securities Trading and Prevention of Insider Trading Policy.

6.3 INVESTMENT COMMITTEE

The Company has established an Investment Committee to review and, if thought fit, approve investment portfolios for use in the suite of investment products offered by Group Entities. The Committee is also responsible for the ongoing monitoring and review of investment portfolios.

Members of the Committee are drawn from the Board, management and external advisers based on their relevant skills and experience. The current members are Mr Paul Clitheroe (Chairman of the Committee), Mr Alastair Davidson (Head of Funds), Mr Ron Hodge (Managing Director), Mr Alan Kohler (Editor-in-Chief) and Ms Effie Zahos (Non-Executive Director).

7. SECURITIES TRADING AND PREVENTION OF INSIDER TRADING POLICY AND STAFF TRADING AND INVESTMENT POLICY

The Company has adopted a policy regarding trading in its securities and the prevention of insider trading which applies to all Directors, employees and contractors and their associates. This policy can be downloaded from the Company's website at: www.investsmart.com.au/shareholder-centre/governance.

Those covered by the policy must not trade, arrange for someone else to trade, or communicate information to someone they know, or ought reasonably to know, may use the information to trade (or procure another person to trade) Company securities when they are in possession of price sensitive information relating to the Group which is not generally available to the market.

Directors and employees are generally only permitted to trade in Company securities in defined open periods and then, only if they are not in possession of price sensitive information relating to the Group which is not generally available to the market and if they have prior written approval to trade.

The Company has also adopted a separate policy dealing with staff trading and investment. That policy deals with the management of actual and perceived conflicts of interest arising where in the ordinary course of business Group Entities promote, analyse or report on securities.

8. CONTINUOUS DISCLOSURE

The Board is very conscious of its continuous disclosure obligations and has adopted a Continuous Disclosure Policy. A copy of this policy can be downloaded from the Company's website at: www.investsmart.com.au/shareholder-centre/governance.

All Directors and the Company Secretary are responsible for ensuring adherence to the Continuous Disclosure Policy. The Chairman or the Managing Director deal with media contact and any external communications.

The Board is responsible for reviewing and verifying the integrity of periodic corporate reports that are released by the Company to the market that are not audited or reviewed by an external auditor.



9. INDEPENDENT PROFESSIONAL ADVICE

Directors may obtain independent professional advice at the Company's expense on matters arising in the course of their Board and Committee duties, after obtaining the Chairman's approval (or in the case of the Chairman, with the prior approval of the Chairman of the Audit, Risk and Compliance Committee). The Board requires that all Directors be provided with a copy of such advice and be notified if the Chairman's approval is withheld.

10. PERFORMANCE ASSESSMENT

The performance assessment of individual Directors, Committees and the Board is included in the Board Charter. The process is aimed at ensuring individual Directors, Committees and the Board as a whole work efficiently and effectively. As part of that process:

- the Board as a whole discusses and analyses its own performance during the year including suggestions for change or improvement;
- the Chairman meets with each non-executive Director separately to discuss individual performance, including development areas;
- a nominated Director leads the review of the Chairman.

Due to the size of the Board, a formal performance evaluation of Directors was not undertaken in the reporting period.

Each senior executive in the Group is engaged under a written contract which includes:

- the term of appointment;
- a description the position and associated duties and responsibilities;
- reporting;
- remuneration, including superannuation;
- the requirement to comply with corporate policies, including the Code of Conduct, Securities Trading and Prevention of Insider Trading Policy, Staff Trading and Investment Policy, Continuous Disclosure Policy, Continuing Professional Development Policy, Human Resources Policies and Procedures and Risk Management and Compliance Policies; and
- circumstances of termination and entitlements on termination.

Those contracts also set out the manner in which the performance of the respective senior executive is evaluated. Performance evaluation of senior executives was undertaken in the reporting period.

11. DIVERSITY

The Company has a Diversity Policy which is regularly reviewed and updated as necessary. It can be downloaded from the Company's website at: www.investsmart.com.au/shareholder-centre/governance.

The Board has not set measurable objectives for achieving diversity, however the Company has policies and procedures in place that are targeted at building and



fostering a diverse and inclusive workplace. The Board believes these policies and procedures best suit the Company given its size and stage of development. The Company employs less than 100 staff and is not a “relevant employer” under the *Workplace Gender Equality Act 2012* (Cth).

The Company currently has one female Board member and no females within the Key Management Personnel identified in the 2022 Annual Report. As at 30 June 2022, 38% of the employees in the Group are women (compared to 29% at 30 June 2021) and 36% of the Company’s management team is comprised of women (compared to 33% at 30 June 2021). The Company will seek to maintain or increase this level of female employees in the future and to continue to reflect diversity within its staff, the Board and Key Management Personnel.

12. DIRECTORS’ INDUCTION AND CONTINUING EDUCATION

The Company does not have a formal program for periodically reviewing whether there is a need for Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively. The Board does not believe such a program should be implemented given the size and stage of development of the Company.

However, all Directors receive an induction after joining the Board and have access to continuing education to update and enhance their skills and knowledge to enable them to continue to carry out their duties.

13. MANAGEMENT OF RISK AND INTERNAL CONTROL FRAMEWORK

The Board is the ultimate sponsor of risk oversight within the Group but does so in a manner which reflects the transparent nature of the Group’s systems. The Company pays significant attention to risk as a consequence of its activities, which involve dealing in financial assets.

The Audit, Risk and Compliance Committee fulfils an essential role in the management of risk and the establishment, review and monitoring of internal controls. In addition, through the reporting of the Managing Director, the Board also monitors various measurements of absolute and relative risk. Reviews of the Company’s risk management framework were undertaken throughout the reporting period.

Due to the relatively small size of the Group and the limited nature of its business operations, the Company does not have an Internal Audit function. This matter is reviewed periodically by the Audit Risk and Compliance Committee and that Committee makes relevant recommendations to the Board to improve the effectiveness of the Company’s risk management and internal control processes.

The Company has access to a series of internal and external controls through the Managing Director, which govern the Company’s material business risks. These controls include, but are not restricted to:

- external providers of accounting and related services to the Company and Group Entities; and
- regular reporting by the Managing Director to the Board.

The Company’s exposure to economic, environmental and social sustainability risks and management of those risks is disclosed in the 2022 Annual Report – Directors’



Report and the Environmental, Social and Governance Policy (refer Company's website at: www.investsmart.com.au/shareholder-centre/governance).

The Board received a statement in writing from the Managing Director and the Chief Finance Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and the system is operating effectively in all material respects in relating to financial reporting risks.

14. ENGAGING SHAREHOLDERS

The Board is committed to ensuring that shareholders are at all times provided with information sufficient to allow effective monitoring of the Company's performance, including:

- the Annual Report which is distributed to shareholders (at their election);
- the Half Yearly Report;
- periodic reports and special reports when matters of material interest arise;
- the Annual General Meeting and other meetings called to obtain shareholder approval of any action as required; and
- continuous disclosure.

The Chairman and the Managing Director are primarily responsible for promoting effective communication with shareholders and encouraging their participation at general meetings. The Board reviews the activities aimed at achieving these outcomes. The Company Secretary and the share registry are also available to assist shareholders. Shareholders have the option to receive communications from, and send communications to, the Company and the share registry electronically.

Current and archived announcements by the Company are available on the Company's website at: www.investsmart.com.au/shareholder-centre/announcements and at: www.asx.com.au.

The Company provides a review of operations and financial performance in the 2022 Annual Report, which includes the Company's financial report. Results announcements to the Australian Securities Exchange, Business Updates (lodged quarterly in the ordinary course of business) and the full text of the Chairman's address at the Company's Annual General Meeting are lodged with Australian Securities Exchange and available at on the Company's website at: www.investsmart.com.au/shareholder-centre/announcements and at: www.asx.com.au.

The External Auditor attends the Annual General Meeting of the Company and is available to answer questions from shareholders relevant to the audit of the Company.

