

INGENIA COMMUNITIES GROUP

CORPORATE GOVERNANCE STATEMENT

Group structure

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

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

Compliance with ASX Corporate Governance Principles and Recommendations

This statement outlines the main corporate governance practices currently in place for Ingenia Communities Group (**Group** or **Ingenia**) and discloses the extent to which the Group has complied with the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**) during the financial year ended 30 June 2021 (**FY2021**). The Group has reviewed its governance practices against the ASX Principles, including reviewing and updating the relevant company policies and the Board believes the Group accords with ASX Principles.

The corporate governance policies and practices described below are those that have been in place for FY2021, or as at the date of this report where indicated. The information in this statement is current as at 18 August 2021 and has been approved by the Board by resolution dated 17 August 2021.

All references to the Group's website are to: www.ingeniacommunities.com.au

Principle 1: Lay solid foundations for management and oversight

(a) Role of the Board

The Board is committed to effectively representing and promoting the Group, and thereby delivering long-term value for all security holders. The Board is accountable to security holders for the management of the Group's business and affairs and as such is responsible for the overall strategy, governance and performance of the Group. The Board is also cognisant of the importance of company culture at Ingenia and oversees (with the assistance of the Remuneration and Nomination Committee) the adherence to Ingenia values as set out in the Code of Conduct. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Group has established a governance framework at 1(b) below, which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management. The Board operates under a formal charter, which can be found on the Group's website.

(b) Governance Framework

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

BOARDS OF ICH AND ICRE

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

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

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

(c) Role of the Board of the Responsible Entity

As the Responsible Entity, the Board of ICRE has additional responsibilities for the operation of ICF and ICMT. The Responsible Entity must exercise its powers and perform the obligations conferred on it under the Constitutions and the Corporations Act and ensure that the activities of the Group are conducted in a proper and efficient manner in the best interests of security holders. The Responsible Entity must also ensure compliance with the conditions of the AFSL and approve and monitor compliance with compliance plans.

(d) Board Committees

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

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

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

Each committee operates in accordance with a specific charter approved by the Board, and the charters can be found on the Group’s website.

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

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

The number of scheduled and unscheduled / ad hoc Board and Committee meetings held during the year and the number of meetings attended by each of the directors is set out in the table below. The attendance noted for Committee meetings are for directors that are members of that Committee. All directors are invited and eligible to attend any committee meeting:

	Board		Audit & Risk Committee		Remuneration & Nomination Committee		Investment Committee	
	A	B	A	B	A	B	A	B
Jim Hazel	14	13	4	4	1	1	14	12
Amanda Heyworth	14	14	4	4	8	8	-	-
Robert Morrison	14	14	-	-	8	8	14	14
Pippa Downes	14	14	7	7	-	-	14	13
Andrew McEvoy	5	4	-	-	2	2	-	-
Greg Hayes	11	11	4	4	-	-	12	11
Sally Evans	7	7	3	3	5	4	-	-
Gary Shiffman	3	3	-	-	-	-	-	-
John McLaren (Alternate Director)	11	11	-	-	-	-	-	-
Simon Owen	14	13	-	-	-	-	-	-

Notes:

A: Scheduled meetings eligible to attend.

B: Meetings attended.

(e) Executive Committees

The Group has established three Executive Committees:

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

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

- review of the effectiveness of the design and implementation of the risk framework;
- understanding the business' risk appetite;
- assessing methodologies, monitoring and reporting processes; and
- evaluation of lessons learned when a variation is experienced.

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

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

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

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

The Executive IC consists of senior executives and meets as required to assess new projects or investment decisions or to review the performance of assets post-acquisition.

(f) Senior Executives

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

The CEO consults with the Chairman on any matters the CEO considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board, regardless of value. The authorisation thresholds for the control of expenditure and capital commitments are established and defined in the Company's Delegations and Authorities Policy, which is set to optimise the function and decision-making of the executive team as the Group continues to grow and expand, whilst maintaining appropriate oversight by the Board.

Subject to these policy limits and the directions of the Audit and Risk Committee, the CEO may sub-delegate the day-to-day running of the Group to the senior executive team. The exercise of delegated authority is restricted to specific organisational functions and roles.

The Delegations and Authorities Policy details the delegated thresholds for various types of commitment and individual positions, as well as the authorisation processes required to be followed.

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

(g) Performance of Senior Executives

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

The Board formally assesses the CEO's performance on an annual basis. All key performance indicators (**KPIs**) are carefully considered by the Remuneration and Nomination Committee, which evaluates the CEO's performance and makes recommendations to the Board.

An annual assessment of the performance of all other senior executives is undertaken by the Board on the basis of recommendations by the CEO, who conducts performance reviews in relation to each senior executive.

A performance evaluation for all senior executives, including the CEO, was undertaken in the reporting period in accordance with the process disclosed above.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Annual Financial Report under the heading 'Remuneration Report'.

(h) The Company Secretary

The Company Secretary acts as secretary of the Board, attending all meetings of the Board and its committees. The Company Secretary is accountable to the Board, through the Chairman, on all corporate governance matters.

Principle 2: Structure the Board to add value

(a) Board Size and Composition

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

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

The current members of the Board are:

• Mr Jim Hazel (Chairman), appointed 1 March 2012
• Ms Amanda Heyworth (Non-Executive Director), appointed 16 April 2012
• Mr Andrew McEvoy (Non-Executive Director), appointed 4 December 2017, resigned 30 September 2020
• Mr Robert Morrison (Non-Executive Director), appointed 8 February 2013
• Mr Simon Owen (Managing Director and CEO), appointed 24 November 2011
• Ms Pippa Downes (Non-Executive Director), appointed 4 December 2019
• Mr Gary Shiffman (Non-Executive Director), appointed 4 December 2018
• Mr John McLaren (Alternate Director appointed by Mr Shiffman), appointed 18 February 2019
• Mr Greg Hayes, (Non-Executive Director), appointed 17 September 2020
• Ms Sally Evans (Non-Executive Director), appointed 1 December 2020

(b) Board skills and diversity

The Board considers that its directors and senior management have the combined skills and experience to discharge their respective responsibilities.

The full biographies of all directors are included in the Director's Report in the Annual Financial Report, including details of other listed entity directorships and relevant experience. Below is a summary of skills possessed by directors supporting the assessments in the skills matrix information disclosed further in this Statement.

Mr Hazel has had an extensive corporate career in both the banking and retirement sectors. His retirement village operations experience includes being Managing Director of Primelife Corporation Limited (now part of Lend Lease). As Chairman of the Board, he brings his skills as a highly experienced director, with current listed company directorship and he also serves on the Board COTA Australia; the peak policy development, advocacy and representation organisation for older Australians. He is highly skilled in the areas of strategy, finance and treasury, capital markets mergers and acquisitions, ASX governance and industry experience. Mr Hazel holds a Bachelor of Economics and is a Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Mr Owen has significant industry experience, and was a past National President of the Retirement Villages Association (now part of the Retirement Living Council), the peak industry advocacy group for the owners, operators, developers and managers of retirement communities in Australia, a role he held for four years. Mr Owen also brings other valuable skills to the Board with over 20 years' experience working in ASX listed groups with roles across finance, funds management, mergers and acquisitions, business development, sales and marketing. Prior to joining Ingenia, he was the CEO of Aevum, a formerly listed seniors housing and aged care company. He is currently a director of BIG4 Holiday Parks, Australia's leading holiday parks group and is a current member of the Retirement Living Division Council. Mr Owen is a qualified accountant (CPA) with postgraduate diplomas in finance and investment and advanced accounting.

The Board collectively has a deep knowledge and understanding of finance, capital markets and funds management. **Mr Morrison** has extensive experience in property investments, property development, portfolio management, capital raisings as well as institutional funds management. Mr Morrison's investment experience includes senior portfolio management roles where he managed both listed and unlisted property funds on behalf of institutional investors.

Ms Heyworth has particular strengths in strategy, managing growth and marketing, having worked as a venture capital investor for over a decade. Previously, she worked as a Federal Treasury economist and held management roles in the finance and technology sectors. Ms Heyworth has strong finance and accounting credentials. She has extensive experience in capital raisings and M&A transactions and holds a BA (Accounting) with a major in finance, post graduate qualifications in accounting and finance and an MBA from the Australian Graduate School of Management.

Ms Downes has significant experience in international banking and capital markets as well as broad industry knowledge across financial services, technology, infrastructure and property. Prior executive roles include Managing Director and Equity Partner at Goldman Sachs JB Were. She holds a Masters in Applied Finance and a Bachelor of Science (Business Administration) and is a member of the Australian Institute of Company Directors and Women Corporate Directors.

Mr Shiffman is currently Chairman and Chief Executive Officer of Sun Communities, Inc. He has over 25 years' experience in executive and non-executive roles in financial and real estate public companies listed on the NYSE and NASDAQ. He has been actively involved in the management, acquisition, construction and development of manufactured housing communities and recreational vehicle resorts over the past thirty years. Mr Shiffman attended undergraduate studies at Michigan State University and Northwestern University.

Mr McLaren was appointed as Alternate Director by Gary Shiffman in February 2019. He has over 26 years of experience in executive and non-executive roles in financial and real estate public companies listed on the NYSE. Mr McLaren is currently President and Chief Operating Officer of Sun Communities, Inc. (NYSE:SUI) and has been actively involved in the management, acquisition, construction and development of manufactured housing communities and recreational vehicle resorts as well as home sales and leasing operations within communities and resorts over the past twenty years. Mr McLaren holds a Bachelor of Arts degree in Geology from the University of Colorado, Boulder and a Master of Business Administration degree from Regis University, Denver.

Ms Evans is an experienced executive and company director, with expertise in health, aged care and financial services developed through roles with listed and private companies in New Zealand, the United Kingdom, Hong Kong, and Australia. She brings to the Board skills and experience in the areas of retirement and ageing, the delivery of digital solutions, customer experience, strategy, and risk. Ms Evans holds a MSc in Business Leadership from the Compass Group and a Bachelor of Applied Science from the University of Otago and is a Fellow of the Australian Institute of Company Directors and a Graduate of the Australian Institute of Superannuation Trustees.

Mr Hayes is an experienced executive and company director, with more than 30 years' experience across a range of industries including property, infrastructure, energy, and logistics in both listed and private entities. Mr Hayes brings to the Board skills and experience in the areas of strategy, finance, mergers and acquisitions, and strategic risk management, in particular in listed companies with global operations. Mr Hayes holds a Master of Applied Finance, a Graduate Diploma in Accounting and a Bachelor of Arts. He completed an Advanced Management Programme (Harvard Business School, Massachusetts) and is a Member of the Institute of Chartered Accountants.

The table following sets out the skills and experience considered by the Board to be important for its directors to collectively possess in order for it to effectively discharge its duties. The information presented has been taken from the Board's current skills matrix that was reviewed and updated during FY2021.

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

In addition to the skills and experience set out in diagram below, the Board considers that each director has the following attributes:

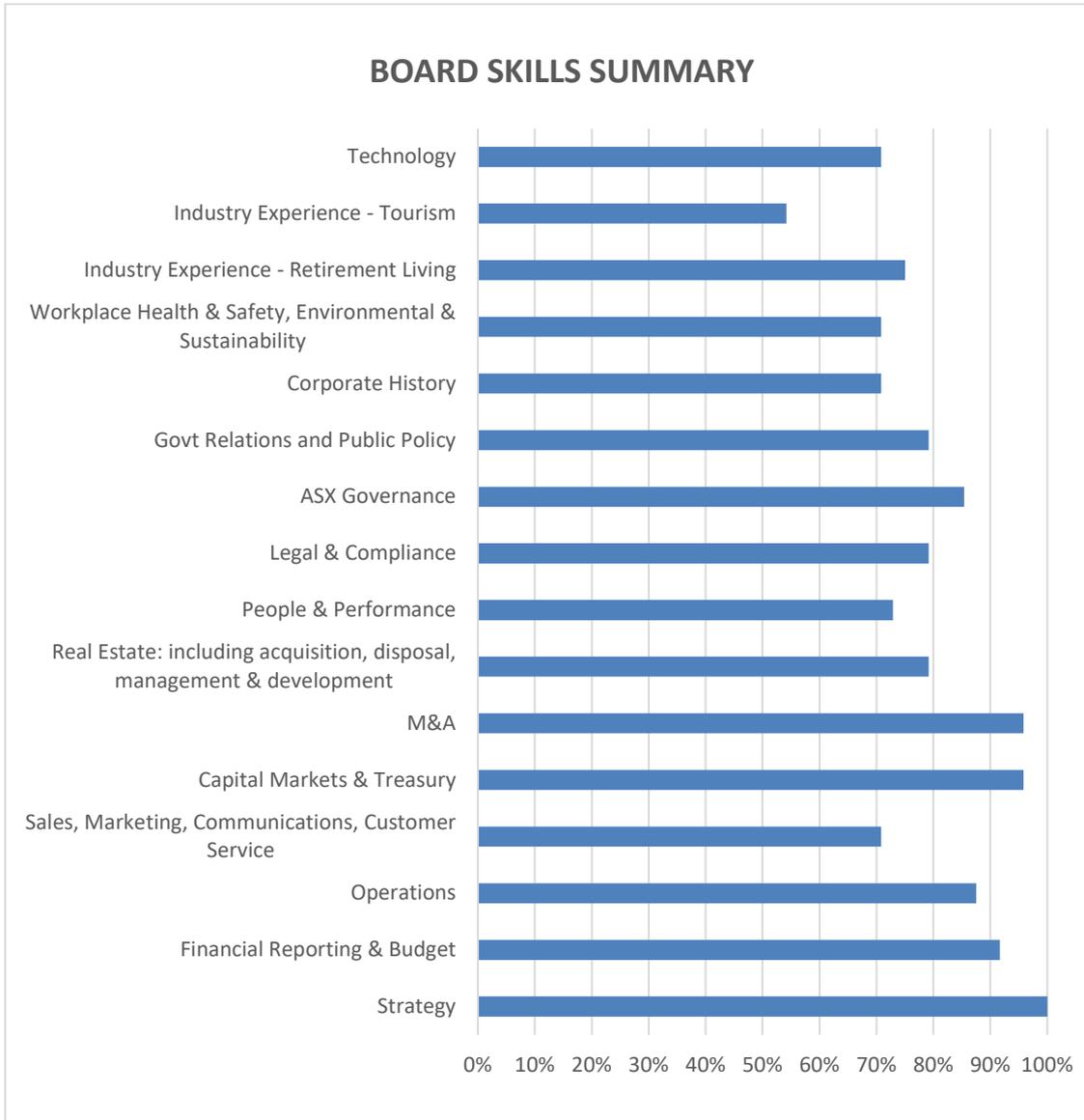
- honesty and integrity;
- the ability to think strategically;
- the time available to devote to Ingenia’s business;
- a willingness to question and challenge; and
- a commitment to the highest standards of governance.

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

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

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

The chart below illustrates the extent to which the current Board fulfils each of the identified required skills of the board. These percentages are extracted directly from the board skills matrix, where directors are rated on their level of competence in each identified skill.



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

The Board recognised the level of tourism experience was reduced following the resignation of Mr Andrew McEvoy. In reviewing this gap, the Board considered the significant experience in tourism held by the Mr Shiffman and Mr McLaren, Mr Owen’s position as a director of BIG4 Holiday Parks and the appointment of the General Manager Tourism at the executive level.

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

(c) Director Appointments

Pursuant to its charter, the Remuneration and Nomination Committee reviews, and where appropriate, makes recommendations to the Board on the size and composition of the Board, including assessment of necessary and desirable competencies of Board members. To this end, the Remuneration and Nomination Committee periodically assesses the appropriate mix of competencies, skills, experience and expertise required by the Board and assesses the extent to which the required skills and experience are represented on the Board.

The Remuneration and Nomination Committee must have regard to the factors set out in the Remuneration and Nomination Committee Charter, including that the Board should comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds in accordance with the Diversity Policy.

The Remuneration and Nomination Committee is also responsible for reviewing and making recommendations to the Board on its membership, including recommendations for the appointment and re-election of directors and where necessary, proposing candidates for consideration by the Board.

Ultimately, the full Board determines who is invited to fill a casual vacancy after extensive one-on-one and collective interviews with candidates and thorough due diligence including appropriate background and probity checks, reference checks and employment history.

The Company provides security holders with all material information relevant to a decision on whether to elect or re-elect a non-executive director in the notice of annual general meeting.

(d) Terms of Appointment

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

- the key terms and conditions of their appointment;
- the Board's expectations in relation to the performance of the director;
- procedures for dealing with a director's potential conflict of interest; and
- the disclosure obligations of the director, together with the details of the director's remuneration.

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

A director induction program has been designed and directors are expected to participate in this induction and orientation program on their appointment, including site visits.

(e) Directors' Independence

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

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

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

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

Mr Jim Hazel, Ms Amanda Heyworth, Mr Robert Morrison, Ms Pippa Downes, Mr Greg Hayes and Ms Sally Evans are considered by the Board to be independent. Given the executive position held by Mr Owen, he is considered not to be an independent director based on the criteria in Principle 2 of the ASX Recommendations. Mr Shiffman is also considered not to be an independent director as he is associated with a substantial security holder of the Group.

(f) Directors' Interests

Directors are required to keep the Board advised of any interest that might be in conflict with those of the Group, and restrictions are applied to directors' rights to participate in discussion and to vote, as circumstances dictate, when a conflict has been identified. In particular, where a potential conflict of interest may exist, directors concerned may be required to leave the Board meeting while the matter is considered in their absence.

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

Standing items at each Board meeting include:

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

(g) Chairman

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

Mr Jim Hazel was appointed Chairman of the Group on 1 March 2012 and is considered an independent director in accordance with recommendation 2.5 of the ASX Recommendations.

(h) Board Meetings

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

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

(i) Independent Advice

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

(j) Board Performance Evaluation

The Board is committed to enhancing its effectiveness through performance management and review. The Board's review process is designed to help enhance performance by providing a mechanism to raise and resolve issues and to provide recommendations to enhance its effectiveness.

In June 2021, the Board and Board Committees conducted a formal, structured evaluation that involved each director completing a confidential questionnaire covering the role, composition, processes and the carrying out of its responsibilities. The results of the questionnaire and an analysis of these results were reported to the Chair by the Company Secretary. Upon completion by the Chair of one-on-one discussions with each director, the results of the evaluation were discussed with the Board and Board Committees.

The established evaluation process is in line with that carried out in previous years, and continues to identify strengths, improvements, and areas for increased focus.

Principle 3: Act Ethically and Responsibly

(a) Values

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



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

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

(b) Code of Conduct and Ethical Behaviour

The Board acknowledges the need for high standards of corporate governance practice and ethical conduct by all directors and employees of the Group.

The Board has endorsed a Code of Conduct which outlines acceptable behaviour and attitudes expected from all staff to promote and maintain the confidence and trust of all those dealing with the Group.

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

Various measures have been established to ensure all staff members observe a high standard of ethical business behaviour. Policies and procedures (which have been reviewed and updated during FY2021) to assist this include:

- managing conflicts of interests;
- personal security trading;
- whistleblower procedures;
- Anti-bribery and corruption policy;

- acceptance of gifts and entertainment as part of the Gifts and Hospitality Policy; and
- handling confidential information.

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

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Group in relation to confidential information they possess.

(c) Employee and Director Trading in Ingenia Communities Group Securities

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

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

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

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

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

(d) Diversity

A formal Diversity Policy has been adopted by the Board that outlines the Group's commitment to diversity in the workplace and the provision of a work environment that is free from discrimination and promotes equal opportunity for all. Ingenia promotes an inclusive workplace where employee differences in areas like gender, age, culture, disability and lifestyle choice are valued. The unique skills, perspectives and experience the Group's employees bring encourage creativity and innovation in thought and better represent Ingenia's diverse customer base, ultimately driving improved business performance.

The Group's Chairman is a member of the 30% Club Australia, which is focused on increasing the representation of women on listed company boards. The Group's target in relation to gender parity was to achieve a minimum of 50 per cent female representation at the Executive Committee level and 50 per cent of female representation at the Board level (excluding the CEO and Nominee Director from Sun Communities).

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

The percentage of female representation across the business as at 30 June 2021 is outlined below:

- the proportion of female directors: 50% (excluding the CEO and Nominee Director from Sun Communities) / 37.5% (including the CEO and Nominee Director from Sun Communities)
- the proportion of female employees on the Executive Committee: 55.5%
- the proportion of female employees in the whole organisation: 65%
- the proportion of female employees in senior positions: 61%

As at the date of this report, the Group is in the process of lodging its 2021 annual public report with the Workplace Gender Equality Agency, in accordance with the requirements of the Workplace Gender Equality Act 2012.

Principle 4: Safeguard integrity in corporate reporting

The Audit and Risk Committee is responsible for assisting the Board in discharging its responsibilities to safeguard the integrity of the Group's financial reporting and the system of internal control. A key component of the Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its responsibilities in regard to financial reporting, the internal control environment, and audit management where appropriate across the Group.

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

The present external auditor for Ingenia is Ernst & Young.

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

The Audit and Risk Committee's current membership, the independence of the members and details of Audit and Risk Committee meetings and attendance by each Committee member are set out earlier in this Statement and the Directors' Report in the Annual Financial Report.

The qualifications and experience of the members of the Audit and Risk Committee are outlined in the Directors Report in the Annual Financial Report and earlier in this Statement where the skills of each of the Directors is addressed.

In accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Recommendations, before it approves the entity's financial statements for a financial period, the Board receives from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

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

The Group has a Continuous Disclosure Policy that incorporates the continuous disclosure framework, as set out in the ASX Listing Rules Chapter 3, as well as the revised ASX Listing Rules Guidance Note 8. This policy is available on the Group's website.

The Continuous Disclosure Policy creates a framework for compliance with relevant disclosure obligations and establishes the accountability of the Board for achieving compliance. More specifically the policy:

- explains the Group's obligations under ASX Listing Rule 3.1 and the Corporations Act 2001;
- establishes internal processes for reporting of information considered to be potentially price-sensitive and for consideration of information reported by the Board;
- establishes processes for the disclosure of price sensitive information, taking into account the clarification provided by ASX Guidance Note 8;
- establishes internal processes for briefing of analysts, investor and media groups, responding to market speculation, leaks and rumours and calling trading halts where appropriate to avoid trading occurring in an uninformed market;
- outlines authorisation procedures for ASX announcements; and
- delegates to the Company Secretary the authority to release information or make disclosures to the ASX and responsibility for decisions regarding price sensitive information, coordinating disclosures, establishing and monitoring procedures under this policy and making recommendations to the Board on any necessary updates to the policy.

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

Principle 6: Respect the rights of security holders

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

- the engagement of a full-time General Manager Investor Relations and Sustainability;
- the Group's website under the *Investor Centre* and *About Us* tabs;
- annual and half-year financial reports lodged with the ASX and made available to all security holders;
- announcement of market-sensitive and other information, including annual and half-year results announcements and analyst presentations released to the ASX; and
- the Chairman and CEO's addresses to, and the results of, the Annual General Meeting.

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

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

- Security Price details;
- ASX announcements;
- Annual reports;
- Presentations;

- Investor dashboard – with key dates, distribution and tax information, frequently asked questions (including share registry information and contact details, and the forum to contact the Company), Ingenia’s portfolio of assets and access to security holdings by investors; and
 - Corporate governance charters and policies, and the latest corporate governance statement.
- II. The following information for investors is located under the *About Us* tab:
- general information about the Group and its activities;
 - strategy and vision details;
 - details of the Board of Directors and leadership team;
 - information on Ingenia Care; and
 - Sustainability

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

The Group produces two sets of financial information each financial year: the half-year financial report for the six months ended 31 December and the annual financial report for the year ended 30 June. Both are made available to security holders and other interested parties via the Group website and ASX.

Security holders have the right, and are encouraged, to attend the Group’s Annual General Meeting, held in November each year, and are provided with explanatory notes on the resolutions proposed through the notice of meeting. A copy of the notice of meeting is also posted on the Group’s website and lodged with the ASX. Given the potential health risks and government restrictions in response to the COVID-19 pandemic, Ingenia will continue to monitor the pandemic situation and implement the appropriate measures to facilitate security holders participation at the Ingenia 2021 Annual General Meeting, which will be in the form of a hybrid meeting . Further details about how security holders can participate at the 2021 Annual General Meeting will be provided in the 2021 Notice of Meeting.

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

Security holders are encouraged to vote on all resolutions and unless specifically stated otherwise in the notice of meeting, all security holders are eligible to vote on all resolutions, and all resolutions are decided by a poll allowing all security holders to vote on the basis of the number of securities held by them. Voting on a poll also allows security holders to register their vote regardless of whether they attend the meeting or not. Security holders who cannot attend the Annual General Meeting may lodge a proxy in accordance with the Corporations Act. Proxy forms may be lodged with the share registry by mail, hand delivery, facsimile or electronically.

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

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

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

Principle 7: Recognise and manage risk

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

In addition, the Audit and Risk Committee:

- identifies and assesses the Group's material business risks;
- regularly reviews and updates the Group's risk profile; and
- oversees the risk management policies and systems.

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

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

The GRCM has been appointed under the rules of the compliance plans of ICF and ICMT. The GRCM is responsible for ensuring adequate internal systems and controls have been implemented to ensure compliance with the Corporations Act, ICF and ICMT's Constitutions, the Responsible Entity's AFSL, and internal and industry standards. These duties include promoting a strong compliance culture within the organisation and to external service providers.

The GRCM is primarily responsible for reviewing compliance on an ongoing basis; reporting on compliance matters, including breaches, to the Audit and Risk Committee; and acting on recommendations of the Audit and Risk Committee. Matters are escalated to the ICRE Board or ASIC when necessary.

The GRCM has direct access to the Chairperson of the Audit and Risk Committee to ensure the GRCM is well placed to adequately deal with compliance issues. Management, via the GRCM, is required to assess risk management and associated internal compliance and control procedures, and is required to report back quarterly to the Audit and Risk Committee as to whether those risks are being managed effectively. The GRCM prepares a quarterly risk and compliance report for review and consideration by the Board.

(a) Compliance Plans

ICF and ICMT both have formal compliance plans that have been adopted by the Board and lodged with ASIC. The purpose of each compliance plan is to set out key processes and systems and measures the Responsible Entity will apply to ensure compliance with:

- the Corporations Act;
- the Constitutions of ICF and ICMT;
- industry practice standards relevant to the particular scheme; and
- internal policies and procedures.

Each compliance plan is a 'how to' document and has been prepared following a structured and systematic process to consider the:

- Responsible Entity's key obligations under the Corporations Act, and the Constitutions;
- risk of non-compliance; and
- measures required to meet the risks of non-compliance.

Each compliance plan describes the key obligations that must be met by the Responsible Entity, and how compliance with these measures will be monitored and tested. In addition, the compliance plans detail the risk of not complying with these obligations, and how breaches are to be reported and addressed.

(b) Internal Audit

The Group does not have an internal audit function but does have a dedicated GRCM whose responsibilities are outlined above. In addition, the structure of the Group requires the following additional external audits:

I. Compliance plan audit

The external auditors conduct annual audits on the compliance plans and report on whether the:

- Responsible Entity has complied with the compliance plans of the Trusts for the financial year end; and
- compliance plans continue to meet the requirements of Part 5C.4 of the Corporations Act as at year-end.

II. Australian Financial Services Licence audit

The external auditor conducts the AFSL audit annually. The auditor reports on the following:

- whether the Responsible Entity has complied with the specified provisions of Part 7.8 of the Corporations Act;
- whether the Responsible Entity has complied with sections 981B and 982B of the Corporations Act (relating to the control and operation of trust accounts);
- whether the Responsible Entity has complied with specific AFSL conditions relating to financial requirements, including internal procedures used by the Licensee to comply with the financial requirements under the licence; and
- whether the cash projections meet the cash need requirement conditions of the AFSL.

III. ASIC

ASIC may undertake a review of the Responsible Entity's risk and compliance processes and systems at any time.

(c) Risk Management Committees

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

(d) Economic, environmental and social sustainability risks

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

Ingenia is committed to providing its stakeholders with credible, transparent and timely information on its sustainability performance, while effectively balancing its efforts to deliver as well as report. Ingenia annually reports on these matters through proactive disclosure on our website.

Principle 8: Remunerate fairly and responsibly

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

- remuneration of the Group's key management personnel (KMP) and senior executives;
- KMP and senior executive incentive plans;
- equity based incentive plans;
- recruitment, retention, performance measurement and termination policies and procedures for Non-Executive Directors, the CEO and any other executive director and all senior executives reporting directly to the CEO; and
- the disclosure of remuneration in the Group's Annual Financial Report.

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

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

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

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

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

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

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

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

In relation to ASX Recommendation 8.3, the Company's Security Trading Policy prohibits employee security holders (which includes those who have obtained securities via the equity-based remuneration scheme) short-term trading, margin lending, short selling and hedging the Company's securities.

Non-Executive Directors receive Board fees that are set having regard to the responsibilities and risks of the role and market competitiveness. To create alignment between Non-Executive Directors and security holders, Non-Executive Directors are encouraged to hold INA securities and a policy has been implemented that places a minimum holding requirement of the equivalent of one year's director fees. Conversely, to preserve independence and impartiality, no element of Non-Executive Director remuneration is 'at risk' (that is, it is not based on the performance of the Group).

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