

# CORPORATE GOVERNANCE STATEMENT 2020

LINK ADMINISTRATION  
HOLDINGS LIMITED  
ABN 27 120 964 098

## Link Group recognises that a strong corporate governance culture underpins sustainable value creation for shareholders.

While the Board of Directors (**Board**) is ultimately accountable for implementing and overseeing an effective corporate governance framework, Executive Management and all Link Group people are responsible for upholding the corporate governance standards set.

This Corporate Governance Statement:

- reports against the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles). Link Group notes the publication of the 4th Edition ASX Principles and intends to report against the 4th Edition in its 2021 Corporate Governance Statement. The practices detailed in this Corporate Governance Statement are consistent with the 3rd Edition ASX Principles and are current as at 14 September 2020; and
- has been approved by the Board and is located on Link Group's website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

### Key areas of corporate governance focus during FY2020

Link Group adopts a continuous improvement approach to its corporate governance framework. During the year, the Board and its Committees undertook the following governance-focused activities:

- undertook a periodic review of the Board Charter, Committee Charters, and suite of corporate governance-related policies. This included a review against the 4th Edition ASX Principles;
- completed a review of the governance framework following implementation of the global operating model and as a result:
  - disbanded the LAS Advisory Forum. Its functions are now covered at Board and executive level committees as appropriate; and
  - split the Risk and Audit Committee into two separate committees to enable an increased focus on risk management (Risk Committee and Audit Committee);
- conducted a self-assessment of the effectiveness of the Board and each Board Committee;
- implemented a Speak Up! Framework, including a Global Whistleblower Policy; and
- implemented a Global Anti-Bribery and Anti-Corruption Policy.

# THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT



The Board is appointed by, and represents, Link Group's shareholders. It is accountable to shareholders for creating and delivering sustainable value. All Directors contribute to the Board's collective decision-making process, having regard to the skills and experience that each Director brings to the Board.

## Board responsibilities and delegations

Biographical details of each Director are located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Board).

The Board Charter, which was reviewed and updated during 2019, provides a framework for the effective operation of the Board, including the:

- Board's role and responsibilities;
- establishment of Committees; and
- authority delegated by the Board to the Managing Director and to the Committees.

The Board's role includes providing leadership and guiding Link Group's strategic direction, driving its performance, and overseeing the activities of Management and the operation of Link Group. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure for Link Group.

The Board Charter specifies the role of the Chair, the Board composition and the responsibilities of Directors. It also provides that the Company Secretaries are accountable to the Board through the Chair and that the Company Secretaries are to advise the Board and its Committees on all governance matters and coordinate all Board and Committee business.

The Board Charter also allocates the decision making authority within Link Group and sets out the matters that are reserved for Board decision. The Board delegates to the Managing Director authority and power to manage the Link Group business on a day-to-day basis, subject to the limits imposed by the Board. In turn, the Managing Director delegates aspects of his authority to Senior Executives. However, the Managing Director remains accountable to the Board for the authority that is delegated and for the performance of Link Group, with the expectation that the Managing Director works in a constructive way with the Board. The Group Delegations of Authority outline clearly the scope and limits of authority delegated to the Managing Director, Chief Financial Officer and the Executive Leadership Team.

The Board monitors the decisions and actions of the Managing Director, the performance of Link Group and assesses its risk profile with the assistance of each of its Committees.

The Board Charter also describes the Managing Director's specific duties.

The Board Charter is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

## Board meetings and attendance

The Board meets as often as necessary to fulfil its role. Directors are required to allocate sufficient time to Link Group to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

The Board has established the following Committees to assist it in discharging its functions:

- Risk Committee;
- Audit Committee;
- Human Resources and Remuneration Committee;
- Technology and Operations Committee; and
- Nomination Committee.

From 1 December 2019, the Board agreed to split the Risk and Audit Committee into separate Risk and Audit Committees. At this time, the membership of each Committee was also reviewed and changed.

The Board met more regularly during the March – June 2020 period to manage the impacts of COVID-19. The number of Board and Committee meetings held, and attended by each of the Directors, during FY2020 is set out in the table below:

	Board		Audit Committee**		Risk Committee**		Risk & Audit Committee**		Human Resources and Remuneration Committee		Technology and Operations Committee		Nomination Committee	
	H	A	H	A	H	A	H	A	H	A	H	A	H	A
<b>Michael Carapiet***</b>	14	14	2	2	2	2	-	2*	5	5	3	3	1	1
<b>John McMurtrie</b>	14	13	-	2*	-	2*	-	2*	-	5*	-	3*	1	0
<b>Glen Boreham</b>	14	14	-	-	-	-	-	2*	5	5	3	3	1	1
<b>Andrew (Andy) Green</b>	14	14	-	2*	2	2	-	2*	-	5*	2	3*	1	1
<b>Peeyush Gupta</b>	14	14	2	2	2	2	2	2	-	3*	-	1*	1	1
<b>Anne McDonald</b>	14	14	2	2	-	2*	2	2	3	5*	-	3*	1	1
<b>Sally Pitkin</b>	14	14	-	2*	2	2	2	2	5	5	-	2*	1	1
<b>Fiona Trafford-Walker</b>	14	14	2	2	-	2*	2	2	-	5*	3	3	1	1

H: number of meetings held during the period in which the Director or Committee Member was appointed to the Board or Committee. All Directors are entitled to attend Committee meetings in an ex-officio capacity and attendance in an ex-officio capacity has been noted with an asterisk (\*).

A: Number of meetings attended by the Director.

\*\* The Risk and Audit Committee was separated from 1 December 2019 to form the Risk Committee and Audit Committee. Committee membership also changed at this time.

\*\*\* Michael Carapiet is an ex-officio member of each of the Board Committees and Chair of the Nominations Committee.

The Board also convenes Special Committee meetings from time to time as may be required. There were two Special Committee meetings during the year, both attended by Michael Carapiet and John McMurtrie.

The Managing Director, John McMurtrie, is a Member of the Nomination Committee but is not a Member of any other standing Committee given he is an Executive Director.

The Non-Executive Directors meet regularly without management present to enable discussion of matters more appropriate to that forum. Senior Executives attend Board and Committee meetings by invitation and are available to be contacted by Directors between meetings.

### **Access to information and independent professional advice**

Management is required to report regularly to the Board in a spirit of openness on the progress being made by Link Group. Directors are entitled to request additional information at any time they consider it appropriate. An open dialogue between individual Directors and the Managing Director and Senior Executives is encouraged.

The Board collectively, and each Director individually, has the right to seek independent professional advice, at Link Group's expense.

### **COVID-19 Response**

The safety and wellbeing of our employees is and has remained of paramount importance. Link Group acted decisively to respond to the COVID-19 pandemic including accelerating the global rollout of Link Group's Wellness hub, establishing a microsite with supporting materials and guides and further promoting our Employee Assistance Program. Within a short period of time, 83% of all Link Group employees globally were enabled to work remotely.

As a result of the success of the remote working arrangements, it is likely that in future, many employees will continue with flexible work arrangements involving a blend of working remotely and in the office. Arrangements, guided by advice from local government and health authorities, are being put in place to ensure a safe return to the office as and when appropriate.

## Diversity and inclusion

Link Group is committed to providing an inclusive and collaborative environment where difference is valued and each person can realise their potential. The Link Group Diversity and Inclusion Policy recognises that individual differences, including differences in gender, ethnicity, sexual orientation, age, physical abilities, family status, and religious beliefs brings the breadth of perspective and depth of experience critical to our success.



The Diversity and Inclusion Policy is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The Human Resources and Remuneration Committee reviews annually the status of workplace diversity within Link Group and the effectiveness of the measurable objectives the Board has set.

A number of strategic initiatives were implemented during FY2020 in support of our global diversity and inclusion strategic priorities:

### Gender Diversity

Link Group remains committed to achieving gender balance and equity across all levels of management and the wider organisation.

In 2019, the Board set measurable targets to improve gender diversity across our businesses globally for achievement in FY2020 as shown in the table below. These gender diversity targets were also incorporated into the Executive Leadership Team's Key Performance Indicators (KPIs) for FY2020.

Link Group level	Percentage	
	Global target for FY2020	Actual for FY2020 <sup>1</sup>
Board <sup>2</sup>	N/A	37.5% female
Senior Executives <sup>2</sup>	40% female	45.5% female
Senior Leaders	29% female	25.8% female
Women in Management <sup>3</sup>	40% female	42.1% female
All staff	N/A	50.0% female

1 As at 30 June 2020.

2 Board includes the Managing Director. Senior Executives includes the Managing Director and members of the Executive Leadership Team globally as at 30 June 2020

3 Comprises women in senior leader roles (global) and people management roles in Australia, New Zealand, United Kingdom and Ireland.

Link Group remains focused on improving female representation across our Senior Leaders while maintaining balanced representation across the other levels of management. In addition, the Board has set a measurable objective that not less than 30% of the its directors are of each gender for FY2021.

Link Group continues to progress the integration of people processes to drive global consistency, reduce any bias and ensure equity for all its people. In FY2020, Link Group launched its global Performance framework including the calibration

of performance ratings to ensure fair and equitable assessment of performance across businesses and gender; and its global Talent Management and Succession process including gender analysis of its talent pool and succession pipeline.

Link Group is a 'relevant employer' under the Workplace Gender Equality Act 2012 and Link Group's most recent public report to The Workplace Gender Equality Agency (WGEA) is available on WGEA's website at [www.wgea.gov.au/public-reports](http://www.wgea.gov.au/public-reports).

### ***Mainstreaming Flexible Working Arrangements***

Link Group is committed to providing its people with flexibility in the way they work throughout their career to meet their work and life commitments.

In FY2020, Link Group launched FlexTogether, its global Flexible Working Policy and supporting resources, to reconfirm its commitment to flexible working beyond the traditional formal arrangements to a range of informal options that enable employees to meet commitments outside of work. Recognising technology is a key enabler of flexible working, Link Group also deployed several key technology solutions to better enable flexible working and enhance its people's experience.

Link Group's existing policies such as paid parental leave, paid carers' leave, paid volunteer leave and additional personal leave also ensure working families are well supported.

### ***Enhancing Employee Wellbeing***

Link Group is committed to providing a working environment that promotes the safety, physical and mental health and wellbeing of its people as a key priority.

In FY2020, Link Group accelerated the rollout of its online interactive Wellness Hub to all locations globally, enabling employees to access a range of health and wellbeing resources, activities, benefits and support.

### ***Awareness and education of diversity and inclusion***

Link Group's mandatory annual compliance training program includes training on equal employment opportunity for all employees.

### **Performance Review of the Managing Director and Senior Executives**

At the start of each financial year, Key Performance Indicators (**KPIs**) for the Managing Director and each of the Senior Executives are reviewed and recommended to the Board by the Human Resources and Remuneration Committee. At the end of the financial year, in conjunction with the Managing Director, Senior Executives' performance against the KPIs are assessed. These assessments are reviewed and reported to the Board by the Human Resources and Remuneration Committee.

For FY20, a performance evaluation of Senior Executives was undertaken by the Managing Director and reported to the Human Resources and Remuneration Committee. KPI performance for Executive Key Management Personnel (**KMP**) is described in the Remuneration Report included in the 2020 Annual Report, which is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors, then Annual Reports). For FY20, Executive KMP performance has been contextualised by the strong leadership demonstrated during the COVID-19 pandemic.

In the case of the Managing Director, the Chair provides the Managing Director with feedback on performance. This process was followed for FY20.

In reviewing the final assessment of annual performance against KPIs, the Board may in its discretion take into consideration the Executive KMP's alignment to Link Group's core values, behaviours, internal and external stakeholder relationship management, and prudent risk taking. The Board may in its discretion also take into consideration the impact of circumstances, either positive or negative, that arise through the year such as an acquisition or disposal event, fraud, information security or privacy breach, reputational damage, client wins or losses, and any other events it deems relevant.

The Board, with assistance from the Human Resources and Remuneration Committee, has also set FY2021 KPIs for the Managing Director and each Senior Executive. Finalisation of the FY2021 financial targets has been delayed to October 2020 due to the COVID-19 pandemic.

All Senior Executives have a written agreement setting out their role and terms of employment.

# THE BOARD IS STRUCTURED TO ADD VALUE

## Board composition and Director appointment

The Board believes that orderly Board succession and renewal will be achieved as a result of careful planning. The composition of the Board is periodically reviewed within the limit imposed by the Constitution (a maximum of ten Directors).

The Board will comprise a majority of independent Non-Executive Directors. The Board will also consist of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds that is appropriate to Link Group and its strategy.

The Board maintains a Non-Executive Director Tenure Policy, which provides that Non-Executive Directors will serve a maximum of three terms of three years or nine years, whichever is the longer, from the date they were first elected by shareholders. The Policy also provides that the Board may invite a Non-Executive Director (including the Chair) to seek re-election beyond nine years if this would be advantageous to Link Group for reasons such as Board leadership or continuity.

When appointing new Directors, the Board evaluates the balance of skills, knowledge, diversity and experience currently on the Board as well as the terms served by existing Non-Executive Directors. In light of this evaluation, the Board determines the role and capabilities required for the appointment.

At the commencement of a Director selection process, the Board undertakes appropriate checks on potential candidates to consider his or her suitability to fill a casual vacancy on the Board or for election as a Director. Prior to appointment, candidates are required to provide the Chair with details of other commitments and an indication of time involved, and to confirm that he or she will have adequate time to fulfil his or her responsibilities as a Non-Executive Director of Link Group. Link Group enters into a written agreement with each Director setting out the key terms, conditions and responsibilities of his or her position.

As part of a mutual due diligence process between the Board and a potential candidate, the potential Director is provided with a combination of public and non-public materials, subject to strict confidentiality arrangements.

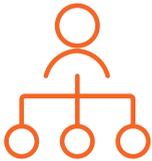
Once appointed, new Directors undergo an induction program during which they meet Senior Executives and are given a full briefing on Link Group operations, its strategies, the nature of its various businesses, its financial position and performance, and its operational and risk management. The program is tailored to each Director's skills, experience and any intended Committee roles, and also includes site visits. There were no new Directors appointed during FY2020.

Directors that are appointed to fill a casual vacancy hold office until the end of Link Group's next Annual General Meeting (**AGM**), where they then seek election by shareholders. Directors are re-elected in accordance with the Constitution and the ASX Listing Rules. On recommendation from the Nomination Committee, the notice of AGM contains all material information about candidates so that shareholders can make an informed decision on whether or not to elect or re-elect a Director.

## Director time commitment and professional development

Non-Executive Directors must inform the Chair before accepting any new appointment as a Director of another listed entity, another material directorship or other position with a significant time commitment attached.

All Directors are encouraged and supported to participate regularly in professional development opportunities, in addition to specific educational sessions that are scheduled during Board and Committee meetings. In 2019, the Board travelled to the UK and Ireland, where they reviewed Link Group's strategy, held site visits and met with the UK and European leadership team and employees, to gain valuable exposure to the UK and European operations. During FY2020, the Board received quarterly briefings on each Operating Business, an interactive session with the Chair and CEO of a key client, an update on workplace, health and safety responsibilities and a briefing on the Board's role under the new Global Whistleblower Policy. The Board also attended site visits at the Melbourne and Rhodes (Sydney) offices, including tours of the operational facilities and opportunities for interaction with local management and employees. The Board's planned visit to its offices in India and the UK in June 2020 was deferred due to COVID-19.



### Current Board composition and independence

The Link Board currently has eight Directors, including the Managing Director, John McMurtrie, and seven independent Non-Executive Directors. The details of each Director, including background, length of service and other listed company directorships for the past three years is included in the 2020 Annual Report which is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors, then Annual Reports).

There have been no changes to the Board during FY2020.

The criteria by which the Board determines the independence of a Director is set out in the Board Charter, which was updated during FY2020. Seven Directors are considered by the Board to be independent Non-Executive Directors, including Michael Carapiet, Chair of the Board, as set out in the table below.

Each Director must immediately disclose to the Board if he or she is, or becomes aware of, any information, facts or circumstances that will or may affect his or her independence. The Board assesses the independence of Directors on appointment and annually. It is the Board's view that no Directors currently have any interests, positions, associations or relationships that materially affect their ability to exercise independent judgement in the interests of Link Group shareholders.

It should be noted Fiona Trafford-Walker is a Non-Executive Director of Perpetual Limited (**Perpetual**) which is currently a substantial shareholder of Link Group (holds greater than 5% of total shares on issue). Ms Trafford-Walker has confirmed that as a Non-Executive Director of Perpetual, she has no involvement in, or influence over, any investment decisions made by Perpetual in relation to trading in any security. The Board believes this relationship does not affect Ms Trafford-Walker's independence. The basis of this opinion is that investment decisions are not made by the Board of Perpetual but by Perpetual's asset management team in accordance with client or fund investment mandates.

The Board believes that its current size is presently appropriate to discharge its duties effectively.

There is a clear division of responsibility between the Independent Non-Executive Chair and the Managing Director. The Chair's role is detailed in the Board Charter and includes:

- leadership of the Board and the efficient organisation and conduct of the Board's functions and meetings;
- promoting a constructive governance culture and applying appropriate governance principles among directors and with management;
- facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between Board and management; and
- representing the views of the Board to the public and the Company's shareholders.

Director	Independent status	Appointment date
<b>Michael Carapiet (Chair)</b>	Independent Non-Executive Director	26 June 2015
<b>John McMurtrie (Managing Director)</b>	Not considered independent	16 February 2007
<b>Glen Boreham</b>	Independent Non-Executive Director	23 September 2015
<b>Andy Green</b>	Independent Non-Executive Director	9 March 2018
<b>Peeyush Gupta</b>	Independent Non-Executive Director	18 November 2016
<b>Anne McDonald</b>	Independent Non-Executive Director	15 July 2016
<b>Sally Pitkin</b>	Independent Non-Executive Director	23 September 2015
<b>Fiona Trafford-Walker</b>	Independent Non-Executive Director	23 September 2015

The Managing Director's role is also set out in the Board Charter and includes:

- responsibility for the effective leadership of the management team;
- the development of strategic objectives for the business and instilling and reinforcing the Company's purpose, values, Code of Conduct and Ethics and risk appetite set by the Board;
- providing accurate, timely and clear information to the Board to enable it to perform its responsibilities; and
- the day-to-day management of the Company.

### Board Capability matrix

The Board is comprised of highly experienced business leaders who each meet the fundamental requirements necessary to govern an ASX listed company that provides technology enabled administration solutions.

An effective governance framework for Link Group requires a Board which is diverse in terms of gender, background, geographic location and capabilities.

It also requires each Director to provide the time required to undertake the responsibilities of the role, demonstrate a commitment to high standards of corporate governance, including ethical decision-making, ongoing engagement with stakeholders, and ongoing professional development, and, further, demonstrate a preparedness to question and critique the Company's strategy and operations.

Skills and Experience	Capability Scale
<b>Strategy</b> Development and /or implementation of a successful strategy, including appropriately probing and challenging Management on the delivery of agreed strategic planning objectives.	100%
<b>Risk Management</b> Development of an asset or business portfolio over the long term that remains resilient to systemic risk, including setting and monitoring risk appetite, and building and adapting organisational risk culture.	38% 62%
<b>Governance</b> Board experience as a director or advisor. Commitment to high standards of governance, including ethical decision making and ongoing professional development.	100%
<b>Financial Acumen</b> Financial accounting and reporting, corporate finance and internal financial controls, including an ability to probe the adequacies of financial risk controls.	13% 87%
<b>Financial Services Experience</b> Within the financial services sector, including superannuation, investment management and capital markets.	25% 75%
<b>Technology</b> Information technology, including information security, platforms, data analytics, innovation strategies and artificial intelligence.	12% 50% 38%
<b>Mergers and Acquisitions</b> Identifying and implementing merger and acquisition opportunities, including integration and change management.	50% 50%
<b>Business Development</b> Development, implementation and management of forward-thinking product, service or customer relationship strategies.	38% 62%
<b>International Experience</b> Business operations in international locations.	12% 38% 50%
<b>Human Resources</b> Human resource management, including workplace culture, management development and succession, health and safety, diversity and remuneration.	50% 50%
<b>Stakeholder Relationships</b> Managing relationships with stakeholders including investors, regulators, government, employees, suppliers and communities.	25% 75%

● Level 1 – Limited or out of date capacity
 ● Level 2 – Significant capability in some aspects
 ● Level 3 – Significant capacity in most aspects

Director capabilities are developed through past and present experience as an executive, non-executive director and through formal education and training.

The Managing Director brings additional perspectives to the Board through a deeper understanding of Link Group's business and day-to-day operations.

The Board reviews its capability matrix at least annually to ensure that as Link Group develops, the Board continues to have the appropriate mix of skills, expertise, experience and diversity. In FY2020, the Board reviewed its capability matrix to ensure it remained appropriate to Link Group's business and strategic direction.

## Board Committees

### *Technology and Operations Committee*

The Technology and Operations Committee is chaired by Glen Boreham and has four members, all of whom are independent Non-Executive Directors.

The Technology and Operations Committee Charter, which was reviewed and updated in July 2019, sets out the role and responsibilities of the Committee. The Charter is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The Technology and Operations Committee assists the Board by reviewing and making recommendations in relation to:

- Management's development and implementation of Link Group's technology strategy and its alignment with Link Group's overall strategy and objectives;
- major new technology projects and investments;
- Management's strategies for operational efficiency, including sourcing of relevant material suppliers;
- the development and implementation of operational efficiency programs; and
- key external technology changes, innovations and trends and the potential to adopt them within Link Group.

The Technology and Operations Committee also monitors and reviews, in conjunction with the Risk Committee as appropriate, the:

- post implementation results of all key technology projects, including the achievement of expected benefits and return on investment; and
- effectiveness of incident response plans as they relate to technology risks and cyber security risks.

In addition, the Technology and Operations Committee advises the Risk Committee on technology, systems, data and intellectual property risk and security matters, including monitoring effectiveness and associated controls.

### *Nomination Committee*

Currently, each Director is a member of the Nomination Committee and the Committee is chaired by the Chair of the Board, Michael Carapiet.

The Nomination Committee Charter, which was reviewed during FY2020, sets out the role and responsibilities of the Committee and the Charter is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The Nomination Committee assists the Board by

- identifying and nominating for Board approval, candidates to fill Board vacancies;
- considering matters relating to the re-election of Directors by shareholders, and the degree of independence of any Director;
- reviewing succession plans for the Board Chair and other Non-Executive Directors;
- reviewing the skills, performance and effectiveness of the Board, its Committees and Directors;
- facilitating continuing education for Directors; and
- maintaining the Directors' skills matrix.

### *Other Board Committees*

Details of the Audit Committee, Risk Committee and Human Resources and Remuneration Committee are included below in this Corporate Governance Statement.

## Performance review of the Board

Each year, the Board undertakes a structured assessment of its performance and that of its Committees, in accordance with the terms of the respective Charters. During FY2020, the Board completed a Board effectiveness self-assessment, considered the results and implemented actions to address areas identified for improvement.

The results of the review were used to identify opportunities to further enhance the effectiveness of the Board and its Committees, consistent with Link Group's commitment to high standards of corporate governance.

# THE BOARD PROMOTES ETHICAL AND RESPONSIBLE DECISION-MAKING

## Speak Up! Framework

Creating a culture of trust, safety and transparency, where all employees feel free to speak up is essential or the achievement of Link Group's goals and strategy. Link Group has placed great importance in creating a speak up framework that allows employees to speak up about issues or conduct that concerns them. This includes the behaviour and conduct of Link Group people as well as clients and customers.

There are several policies which underpin our Speak Up! framework including:

- Grievance;
- Fraud;
- Incidents;
- Complaint;
- Code of Conduct and Ethics; and
- Whistleblower.

It is everyone's responsibility to model the Link Group core values and ensure that our ways of working are collaborative, ethical and fair.

## Code of Conduct and Ethics

Link Group's Code of Conduct and Ethics (**Code**) outlines how Link Group expects its people to behave and conduct business, with specific reference to Link Group's core values: professionalism, integrity, respect, commitment and teamwork.

All Link Group Directors, employees, contractors and all other people who represent or undertake work for Link Group (**our People**) must comply with the Code. Our People are expected at all times to comply with all applicable laws. In addition, our People are expected to conduct Link Group's operations with high standards of ethics and integrity whenever they represent Link Group to uphold Link Group's reputation as a market-leading global provider of sophisticated data management services.

The Board reviewed and updated the Code in FY2020. Key updates included more detailed guidance in relation to:

- Link Group's values and how they guide the responsibilities of Our People under the Code; and
- more guidance on trading in securities of other companies.

All employees are required to undertake compulsory compliance training on an annual basis, including training on the Code of Conduct and Ethics. As part of the training, employees are required to confirm compliance with the Code during the previous 12 months.

The Board is advised (via the Risk Committee) of any material breaches of the Code.

The Code is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

## Whistleblower Policy

Link Group implemented a Global Whistleblower Policy in FY2020 which sets out Link Group's approach to encourage and support the Disclosure of Reportable Conduct, and protect Whistleblowers from any retribution or other detriment that may arise as a result of their Disclosure. Link Group does not tolerate Reportable Conduct under any circumstances. The key messages for all employees in the Global Whistleblower Policy are that:

- in keeping with its values of Professionalism, Integrity, Respect, Commitment and Teamwork, Link Group is committed to encouraging and supporting ethical and responsible behaviour;
- Link Group encourages a culture of reporting actual or suspected conduct which is illegal, unacceptable or undesirable;
- any person that reports Reportable Conduct as a Whistleblower who is acting honestly, reasonably and with genuine belief about the Reportable Conduct will be supported and protected; and
- investigations of Reportable Conduct will be conducted in an objective, fair, independent, thorough and confidential manner.

Disclosure of Reportable Conduct may be made by contacting a designated Whistleblowing Protection Officer. Alternatively, Disclosure of Reportable Conduct may be made through an external and independent provider, contracted by Link Group to receive Disclosures impartially and confidentially.

The Board receives (via the Risk Committee) reports under the Whistleblower Policy.

The Whistleblower Policy is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).



### Anti-Bribery and Anti-Corruption Policy

Link Group implemented a global Anti-Bribery and Corruption Policy in FY2020 which supports the Code that sets the standards for the way we work at Link Group. The Policy sets out the requirements, responsibilities and approach for the governance, prevention, deterrence, detection, investigation and reporting of instances of bribery and corruption involving employees, consultants and/or any other third parties in a business relationship with Link Group, including members, investors, customers, clients and vendors.

The Board is advised (via the Risk Committee) of any material breaches of the Anti-Bribery and Anti-Corruption Policy.

The Anti-Bribery and Anti-Corruption Policy is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

### Securities Trading Policy

The Link Group Securities Trading Policy governs trading in Link Group securities by Directors, employees, contractors and their associates (**Restricted Persons**). In addition to the insider trading provisions set out in the Corporations Act, employees can only deal in Link Group shares during trading windows that are set out in the Policy. Trading windows are generally opened for 20 business days beginning on the first trading day after Link Group's:

- annual and half year results are released to ASX; and
- Annual General Meeting.

Additional approval processes are required for Restricted Persons who want to trade in Link Group shares during a trading window.

The Securities Trading Policy was reviewed and updated by the Board in FY2020. The updated policy was released to ASX and is also located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

### Minimum shareholding policy

The Board has adopted a suite of minimum shareholding policies that are aimed at aligning the interests of the Non-Executive Directors and Senior Executives with those of Link Group's shareholders.

Non-Executive Directors are required to reach a minimum shareholding of one times the base fee that is paid to Non-Executive Directors, within three years following the date of their appointment.

Each Senior Executive is required to reach a minimum shareholding of one year's fixed remuneration within five years of the date they first become a member of the Executive Leadership Team.

Progress against these requirements is monitored annually.

Details of Group shares held by Directors and other KMP are set out in the Remuneration Report included in the 2020 Annual Report, which is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors, then Annual Reports).

# THE BOARD SAFEGUARDS

## INTEGRITY IN CORPORATE REPORTING

### Audit Committee

The Audit Committee is chaired by Fiona Trafford-Walker and has four members, all of whom are independent Non-Executive Directors. All Committee members are financially literate and have a deep understanding of the industries in which Link Group operates, to enable them to discharge the Committee's mandate effectively. Several members have accounting and/or financial expertise.

The Audit Committee Charter was approved for implementation from 1 December 2019, following the separation of the Risk and Audit Committee into two separate committees. The Charter sets out the role and responsibilities of the Committee and is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The purpose of the Committee is to assist the Board with:

- discharging the Board's responsibilities relative to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance and the audit process;
- Link Group's external audit processes, including appointment and removal of the external auditor; and
- Link Group's internal audit processes, including approval of the annual internal audit plan.

The responsibilities of the Committee in relation to external audit include:

- establishing procedures for the selection, appointment and removal of the external auditor and for the rotation of external audit engagement partners;
- reviewing and approving the external auditor's proposed annual audit scope and approach, including terms of engagement and proposed fees;
- meeting with the external auditor to review audit reports and, at least once a year, meeting to discuss any matters that the Committee or auditor believe should be discussed privately without Management present;
- referring to the Risk Committee any issues raised by the External Auditor that may materially impact Link Group's risk management framework; and

- reviewing (at least annually) the independence, integrity and performance of the external auditor, including monitoring and approving as appropriate services to be provided by the external auditor to Link Group (if any) outside their statutory role in line with the Global Policy on the Provisions of Non-Audit Services by the External Auditor.

The Audit Committee may obtain information from, and consult with, Management, the external auditor and external advisers, as it considers appropriate. The Audit Committee also meets regularly with the external auditor without Management being present, as a matter of good governance.

### Managing Director and Chief Financial Officer Declarations

Prior to Board approval of Link Group's annual financial reports, the Managing Director and Chief Financial Officer provide the Board with the declarations required under section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. An equivalent declaration is also provided prior to Board approval of Link Group's half-year financial reports, consistent with ASX Principle Recommendation 4.2.

The declarations are made following a process which involves certifications from senior executives in Link Group considering key elements of the risk and control framework and any exceptions are advised to the Board.

For the financial year ended 30 June 2020, the Managing Director and Chief Financial Officer made a declaration in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. The declaration was formed on the basis of a sound system of risk management and internal control which is operating effectively. An equivalent declaration was made for the half-year ended 31 December 2019.



### **Verification of periodic reports**

Link Group has a review process in place which includes verification testing of content and a review and sign-off by management prior to the Board formally approving the release of material public information, including periodic corporate reports that are not audited or reviewed by the external auditor. The process followed is specific to the nature of the relevant announcement or report and includes review by the relevant subject matter expert and review against source documentation and relevant regulations. The non-externally audited components of the Annual Report and this Corporate Governance Statement have been verified consistent with this process.

### **Auditor at AGM**

KPMG, as Link Group's independent external auditor, is present and available at each Link Group AGM to answer shareholder questions on the:

- conduct of the independent external audit;
- preparation and content of the independent external auditor's report;
- accounting policies adopted by Link Group in relation to the preparation of the financial statements; and
- independence of KPMG in relation to the conduct of the audit.

# THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE



The Board is committed to maintaining the highest standards of disclosure, so that all shareholders and potential investors have the same access to high-quality, relevant information in an accessible and timely manner to assist them in making informed decisions.

The Link Group Continuous Disclosure Policy ensures compliance with the explicit requirements, and with the spirit and intent of its disclosure obligations, that are set out in the Corporations Act and ASX Listing Rules.

Under the Continuous Disclosure Policy, the Board has primary responsibility for Link Group's compliance with its continuous disclosure obligations and is therefore responsible for overseeing and implementing this policy. At each Board meeting, and between meetings as necessary, the Board considers whether, and makes the ultimate decision, as to whether there is any materially price sensitive information that must be disclosed to ASX.

The Board has appointed the Company Secretary as the Reporting Officer in order to streamline the day-to-day compliance with its continuous disclosure obligations. All Directors are required to notify the Reporting Officer if they believe there is materially price sensitive information which requires disclosure to ASX. The Board has also appointed the Company Secretary as its ASX liaison officer, who is the person responsible for communicating with ASX with respect to all ASX Listing Rule matters.

Link Group has committed that market announcements will be accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. Announcements are approved prior to release in accordance with the authority levels described in the Policy.

All announcements are included on the Link Group website following release to the ASX and any new and substantive investor or analyst presentations are released to the ASX ahead of the presentation. The Board receives copies of all material market announcements promptly after they have been made.

The Policy was reviewed and updated during FY2020, and is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

# THE BOARD RESPECTS THE RIGHTS OF SHAREHOLDERS

Link Group is committed to promoting effective communication with shareholders through a range of forums and publications, so that:

- shareholders can access information and have facilities available to enable them as owners of Link Group to exercise their rights; and
- shareholder views can be heard and understood by Link Group's Board and Senior Management.

Link Group's Shareholder Communications Policy, which was updated during FY2020, is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

## Link Group website

Link Group's website at [www.linkgroup.com](http://www.linkgroup.com) is kept current to maintain effective communication with shareholders and stakeholders, and includes information about Link Group's financial results and operations, Director and Senior Executive profiles, copies of all key governance documentation and key shareholder information (such as access to the Link Group Investor Centre, announcements, investor presentations and current share price information).

All ASX announcements made by Link Group can also be accessed from the 'Announcements' section of the ASX website at [www.asx.com.au/asx/statistics/announcements.do](http://www.asx.com.au/asx/statistics/announcements.do), using Link Group's ticker code: LNK.

## Investor relations

Link Group is committed to managing its relationships with institutional investors, in compliance with its Continuous Disclosure Policy and the ASX Listing Rules. A structured engagement program is in place to facilitate proactive communication with institutional investors, including post-results briefings and periodic investor days.

These events are made available to all investors via webcasts that can be accessed on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors).

Link Group also adopts a proactive approach to engaging with proxy advisers in relation to corporate governance matters.

## Shareholder communications

Shareholders are encouraged to elect to receive all communications electronically. Electronic communications are more timely, cost effective and environmentally responsible, which benefits all Link Group stakeholders. Shareholders who wish to receive electronic communications can contact Link Group's share registry by emailing [LNK@linkmarketservices.com.au](mailto:LNK@linkmarketservices.com.au).

Link Group's share registry is managed by Link Market Services Limited: [www.linkmarketservices.com.au/corporate/home.html](http://www.linkmarketservices.com.au/corporate/home.html).

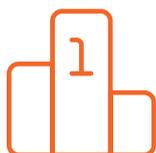
## Shareholder engagement and participation

Link Group encourages shareholder engagement and participation at its AGM (and AGMs more broadly). Link Group's virtual meeting technology allows shareholders to participate in AGMs regardless of their geographic location. Shareholders who choose to participate in the Link Group AGM online can view the AGM online (via live or archived webcast) and vote and ask questions online.

Shareholders who attend the Link Group AGM in person can cast their votes using the LinkVote App on their mobile phone or tablet device, as well as ask questions and meet the Board and the Senior Executives.

Shareholders who are unable to attend the AGM either online or in person are encouraged to vote on the proposed resolutions by casting a direct vote or appointing a proxy prior to the AGM. In addition, shareholders have the opportunity to submit written questions to Link Group and its independent external auditor, make comments on the management of Link Group and access presentations and speeches made by the Chair and Managing Director prior to the commencement of the meeting.

These resources can be accessed on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors, then Annual General Meetings).



All substantive resolutions at Link Group AGMs are decided by a poll rather than a show of hands. Link Group releases its AGM results to ASX and also makes the results available on its website, following the conclusion of each AGM.

The 2020 AGM will be held as a fully virtual AGM, given the current environment and restrictions on public gatherings due to the COVID-19 pandemic. Shareholders will be able to vote either before or during the AGM online by casting a direct vote or appointing a proxy prior to the AGM. Shareholders will also have the opportunity to submit written questions to Link Group and its independent external auditor, make comments on the management of Link Group and access presentations and speeches made by the Chair and Managing Director prior to the commencement of the meeting or at the Meeting using the virtual meeting technology. Shareholders will be provided with all the details for participating in the virtual AGM with the AGM materials.

# THE BOARD RECOGNISES AND MANAGES RISK

## Risk management

The Board requires Management to design, implement and review the risk management and internal control systems to manage Link Group's material business risks and report to it on whether those risks are being managed effectively. Proactive risk management is a core competency of Management. Link Group's ability to identify and address risk is central to achieving our corporate objectives.

Link Group is committed to maintaining a sound system of risk oversight and management and internal control to identify, assess, monitor and manage material risks related to Link Group's operations. Link Group seeks to align its risk related practices and policies to international risk management standards.

The Risk Committee is chaired by Andy Green and has four members, all of whom are independent Non-Executive Directors. The Risk Committee Charter was approved for implementation from 1 December 2019, following the separation of the Risk and Audit Committee into two separate committees to increase the focus on risk management. The Charter sets out the role and responsibilities of the Committee and is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The Risk Committee assists the Board in fulfilling its corporate governance responsibilities in relation to oversight of Link Group's risk management framework and internal control systems. Its role is to:

- review the overall risk management framework, risk appetite and risk profile and annually review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- advise the Board if the Company is operating outside of its approved risk appetite, including the circumstances involved;
- review with management the adequacy of Link Group's processes and systems for identifying, assessing, managing, and monitoring the key financial and non-financial risks and emerging risks to Link Group in accordance with the Risk Management Policy;
- advise the Audit Committee, in writing, with regards to the adequacy and effectiveness of the Group's risk management framework, including an assessment of the Company's risk management, internal compliance and control systems and advise the Audit Committee prior to the review of the half-yearly and annual financial statements;
- review the adequacy and appropriateness of the Company's public disclosures of material business risks;
- review any issues raised by External Auditors or Internal Audit that may materially impact the Company's risk management framework;
- obtain reports from Management on the status of any key risk exposures or incidents;
- review and oversee any incident involving fraud or other material or significant break down of Link Group's internal controls or risk management framework in accordance with the Risk Management Policy;
- review and oversee Link Group's insurance program having regard to Link Group's business and the insurable risks associated with its business, including details of claims made against insurance policies held;
- review and assess Link Group's crisis management and business continuity plans;
- review and oversee whether Link Group has any material exposure to any economic, environmental and social sustainability risks and if so, oversee the development of strategies to manage these risks for consideration by the Board; and
- refer matters to and liaise with the other committees of the Board, regarding particular matters, including:
  - Human Resources and Remuneration Committee to provide a risk related perspective on policies and frameworks for KMP remuneration and awarding of KMP incentives and to confirm people and culture related risks are regularly monitored and controls are reviewed and integrated into the Company's Risk Management Framework.
  - Technology and Operations Committee to confirm technology, systems, data, intellectual property and information security are regularly monitored and controls are reviewed and integrated into the Company's Risk Management Framework.



The Risk Committee also receives confidential reports from the Chief Risk Officer on any incidents reported under the Whistleblower Policy and any material breaches of the Code of Conduct and Ethics and Anti-Bribery and the Anti-Corruption policy.

Together with the Risk Committee, Link Group's four other Committees also assist the Board in fulfilling its risk related corporate governance responsibilities.

Through each of these channels, and directly, Management reported to the Board on the effectiveness of the management of the material risks faced by Link Group during FY2020.

The Risk Management Policy sets out the requirements, roles and responsibilities for managing risks across Link Group which is documented in the Risk Management Framework. The Risk Management Policy is available on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The Board and Management regularly review the Risk Management Framework, to ensure it continues to be appropriate for Link Group's operations. A review of the Risk Management Framework was undertaken in FY20.

### Internal audit

Link Group's internal audit function provides independent objective assurance on the effectiveness of risk management, operational and transactional controls and governance. Internal audit operates under an annual plan that is reviewed and approved by the Audit Committee. Findings from audits undertaken are discussed with the Audit Committee and, where appropriate, other governance forums. Execution of Link Group's internal audit annual plan is supplemented by assistance from an external provider.

### Economic, environmental and social sustainability risks

Link Group is committed to conducting business in a responsible and sustainable manner that minimises the impact on the surrounding community and environment. This includes an appropriate balance of environmental, social and economic demands with sustainable success being built on a foundation of responsible business practices. We strive to act responsibly, support our clients, contribute to employee well-being, diversity and inclusion, and deliver mutual business and social benefits in the communities we operate in.

Link Group's Sustainability Report is prepared in accordance with the Global Reporting Initiative's (GRI) Standards: Core option.

Our sustainability strategy comprises three pillars and supports Link Group's purpose through being a responsible business that safely and securely connects people with their assets.

1. **A Responsible Business:** This pillar focuses on the governance, ethics and respect for human rights that we adopt in our approach to all aspects of our business, including our general operations, information security, privacy, business continuity and supplier management. We are also committed to acting responsibly with regards to the impact our operations have on the environment to help build a sustainable future.
2. **Aligning and building our Capability:** Our second pillar captures the continued investment we are making in our people and our systems to deliver global client solutions. This includes supporting employee wellbeing, development, engagement, career progression, collaboration, diversity, inclusion and gender equity.
3. **Sustainable Growth:** Our third pillar demonstrates how Link Group builds a sustainable future by continuing to innovate and create new solutions for our clients. We invest in technology and platforms to deliver superior technology-enabled administration solutions, continue to identify ways to reduce our carbon footprint and positively contribute to our communities.

Link Group's Sustainability Policy is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

Link Group will continue to review the scope and range of its activities and reporting over time. Our FY2020 Sustainability Report, which details our sustainability performance and the GRI Standards Content Index, is located within the 2020 Annual Report on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Annual Reports).

Link Group's material business risks, and our proactive management of these risks, are described in Operating and Financial Review and our non-financial material risks are outlined in our Sustainability section within the 2020 Annual Report, which is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors, then Annual Reports).

# THE BOARD REMUNERATES FAIRLY AND RESPONSIBLY



Link Group's approach to remuneration is to align its policies and practices to sustainable shareholder value creation.

## Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is chaired by Dr Sally Pitkin and has four members, all of whom are independent Non-Executive Directors.

The Human Resources and Remuneration Committee Charter, which was reviewed during FY2020, sets out the role and responsibilities of the Committee. The Charter is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

The Human Resources and Remuneration Committee assists the Board by reviewing and making recommendations in relation to:

- Link Group's human resources strategy, including alignment of the strategy to the Group's strategic and operational imperatives, purpose and values;
- the effectiveness of policies and practices that support the human resources strategy, including in relation to diversity;
- remuneration policies and practices for Link Group's employees and Directors, including the continuing development of a 'pay for performance' approach, and monitoring the implementation and effectiveness of the policies and practices; and
- the performance of, and succession planning for, the Managing Director and the Senior Executive team.

## Remuneration policies and practices

Details about Link Group's remuneration strategy, framework, policies and practices are set out in our Remuneration Report, which clearly distinguishes the structure of Non-Executive Directors' remuneration from that of the Executive KMP. In particular, the remuneration of Non-Executive Directors is fixed and is paid according to the role in which they serve on the Board and any Committees. Non-Executive Directors do not participate in any variable or incentive plans and do not receive retirement benefits other than superannuation.

Link Group's 2020 Remuneration Report is included in the 2020 Annual Report, which is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under Investors, then Annual Reports).

## Policy on hedging equity-based incentive schemes

Link Group's Securities Trading Policy prohibits those employees who participate in any employee or executive incentive plans from hedging the value of restricted shares and unvested securities granted under the plans. Breaches of this prohibition will result in awards being forfeited by the relevant employee. The Link Group Securities Trading Policy is located on the Link Group website at [www.linkgroup.com](http://www.linkgroup.com) (under About Us, then Corporate Governance).

**Link Group**

Level 12, 680 George Street  
Sydney NSW 2000  
Australia

**linkgroup.com**

Link Administration Holdings Ltd  
ABN 27 120 964 098