

# IDT AUSTRALIA LIMITED

## CORPORATE GOVERNANCE STATEMENT

Current as at 25 August 2021

The Directors and Management of IDT Australia Limited (the 'Company') are committed to maintaining good standards in corporate governance. This statement outlines the approach taken by the Board in managing the affairs of the Company and fulfil its duties to meet the interests of the Company as a whole.

The Australian Securities Exchange Corporate Governance Council defines corporate governance as:

'...the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. It encompasses the mechanism by which companies, and those in control, are held to account.

Good corporate governance promotes investor confidence, which is crucial to the ability of entities listed on the ASX to compete for capital.'

This statement sets out the corporate governance structure of the Company which is established to ensure the Company is properly and efficiently directed and managed for the benefit of shareholders and other stakeholders. In particular, consideration is given to the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition) (the "4<sup>th</sup> Edition CGC Recommendations") eight central principles of corporate governance.

### **Corporate Governance Compliance**

The Corporate Governance Statement set out below details the Company's current corporate governance principles and practices which the Board considers complies with the 4<sup>th</sup> Edition CGC Recommendations. The Company's corporate governance framework addresses these principles through its policies as are published in the Corporate Governance section of the Company's website ([www.idtaus.com.au](http://www.idtaus.com.au)), each forming part of the Company's Corporate Governance Statement. All these practices, unless otherwise stated, have been in place for the financial year ended 30 June 2021.

## Disclosure of Corporate Governance Practices

Principle	Follows	Disclosure
<b>1. Lay Solid Foundations for Management and Oversight</b>		
<p>1.1 A listed entity should disclose:</p> <ol style="list-style-type: none"> <li>a) The respective roles and responsibilities of its Board and management; and</li> <li>b) Those matters expressly reserved for the Board and those delegated to management.</li> </ol>	Yes	<p>The Board, Audit and Risk and Remuneration and Nomination Committee Charters outline roles and responsibilities of the Board and management and are published in the Corporate Governance section of the Company's website.</p> <p>Company Directors are responsible to security holders for the performance of the Company in both the short term and the longer term, seeking to balance sometimes competing objectives in the best interests of the company as a whole. Their focus is to enhance the interests of security holders and other key stakeholders and to ensure the Company is properly managed.</p> <p>The Company's Board Charter is summarised below:</p> <p>The Board must ensure it and the Company at all times complies with provisions of the Constitution. The Board must at all times act honestly, fairly and diligently in all respects and in accordance with laws applicable to the Company.</p> <p>The main responsibilities of the Board are:</p> <ul style="list-style-type: none"> <li>• to provide strategic guidance to the Company including contributing to the development of and approving the corporate strategy</li> <li>• to review and approve business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives</li> <li>• appointing the Chair of the Board</li> <li>• appointment and performance assessment of the Chief Executive Officer against annually set key performance indicators</li> <li>• approving the Company's remuneration framework</li> <li>• approving major corporate initiatives</li> <li>• enhancing and protecting the reputation of the organisation</li> <li>• ensuring the Company has an appropriate risk management framework to identify material risks facing the Company and that appropriate and adequate control, monitoring and reporting mechanisms are in place</li> <li>• reporting to security holders</li> <li>• overseeing the integrity of accounting and corporate reporting systems, including external audit</li> <li>• overseeing the process for making timely and balanced disclosure of material information concerning the Company in accordance with continuous disclosure provisions</li> <li>• monitoring effectiveness of the Company's Governance practices</li> </ul>

Principle	Follows	Disclosure
		<ul style="list-style-type: none"> <li>• ensuring the Annual General Meeting is attended by the Company's external auditor, who is available to answer questions from security holders which are relevant to the audit.</li> </ul> <p>Day to day management of the Company's affairs and implementation of corporate strategy and policy initiatives are formally delegated by the Board to the Chief Executive Officer and Executive team.</p> <p>Details of the IDT Board Charter can be found on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a></p>
<p>1.2 A listed entity should:</p> <p>a) Undertake appropriate checks before appointing a person, or putting forward for security holders a candidate for election, as a director; and</p> <p>b) Provide security holders with all material information in its procession relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>The Company's Remuneration and Nominations Committee undertakes appropriate checks on any person who is being considered as a Director. These checks may include good name and character, experience, education, financial history and background.</p> <p>Material information relevant to a decision on whether or not to elect or re-elect a Director is provided to security holders in a Notice of Meeting pursuant to which the resolution to elect or re-elect a Director will be voted on.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>New Directors receive a letter of appointment along with an information pack which outlines the Company's expectations of the Director in relation to their participation, time commitments and compliance with policies and regulatory requirements.</p> <p>Senior executives are required to sign employment agreements or letters of offer which set out the key terms of their employment. New letters are issued where there is a material change in the terms of employment.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	<p>As outlined in the Board Charter, the Company Secretary is accountable directly to the Board, through the Chair, on all matters associated with the proper functioning of the Board.</p>
<p>1.5 A listed entity should:</p> <p>a) have and disclose a diversity policy;</p> <p>b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>c) disclose in relation to each reporting period:</p> <ol style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either:</li> </ol>	Yes	<p>Details of the Company's Diversity Policy can be found on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a></p> <p>The Company's Diversity Policy which recognises and appreciates the value inherent in a diverse workforce. The Company believes that a diverse workforce is the best means of creating the deepest possible talent pool from which to recruit. The Diversity Policy's objectives include:</p> <ol style="list-style-type: none"> <li>1. Enhancing the employee talent pool - foster recruitment, retention and promotion practices that take account of the diversity within the communities in which IDT operates;</li> <li>2. Supportive environment - to ensure a supportive workplace in which employee differences are treated fairly and with respect and dignity within a safe working environment;</li> <li>3. Work/life balance - promote flexible workplace structures, systems and procedures that assist employees balance work, family and other responsibilities effectively</li> <li>4. Social responsibility - to ensure IDT contributes positively to the social well-being of its communities; and</li> </ol>

Principle	Follows	Disclosure
<p>A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	N/A	<p>5. Discrimination, harassment, vilification and victimisation are not tolerated.</p> <p>Measurable Objectives:  IDT is committed to building strong representation of female employees across all levels of the Company but does not set measurable diversity targets. For the twelve months to 31 March 2021, IDT Australia Limited has had a workforce of fewer than 100 employees. Consequently it is not required to report to the Workforce Gender Equality Agency.</p>
<p>1.6 A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>Pursuant to the Board Charter, the Board undertakes annual self-assessment of its performance in relation to its leadership, structure, functionality, systems, meetings and relationship with management. As part of this review the Board considers the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Company.</p> <p>Evaluation for the financial year ended 30 June 2021 was conducted.</p>
<p>1.7 A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Chief Executive Officer is responsible for the performance evaluation of all of the Company's senior executives. Performance reviews are undertaken annually and performance is assessed against pre-determined, objectively measurable and agreed KPI's.</p> <p>Objectives were set and performance reviews were conducted with all senior executive during the period of review.</p>
<p><b>2. Structure the Board To Be Effective and Add Value</b></p>		
<p>2.1 The board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <p>1) has at least three members, a majority of whom are independent directors; and</p> <p>2) is chaired by an independent director, and disclose:</p>	<p>Yes</p> <p>Yes</p>	<p>The Company has a Remuneration and Nominations Committee to advise the Board on remuneration and incentives policies and practices generally, making specific recommendations on remuneration packages and other terms of employment for executives and Directors.</p> <p>The Remuneration and Nominations Committee comprises of independent Directors. The Chair is Mary Sontrop who is an Independent Non-executive Director.</p>

Principle	Follows	Disclosure									
<p>3) the charter of the committee;  4) the members of the committee; and  5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>Yes  Yes  Yes</p> <p>N/A</p>	<p>Details of the Company's The Remuneration and Nominations Committee Charter can be found on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>.</p> <p>As at the date of this statement the Remuneration and Nominations Committee comprises:  Mary Sontrop (Chair, Independent Non-executive Director)  Hugh Burrill (Independent Non-executive Director)  Michael Kotsanis (Independent Non-executive Director)</p> <p>Details regarding these Directors' qualifications and attendance at committee meetings can be found in the Report of Directors in the Annual Report and on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a></p>									
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Yes</p>	<p>The Remuneration and Nominations Committee is responsible to review membership of the Board regarding present and future needs of the company and makes recommendations in relation to Board composition and appointments. The Committee conducts an annual review of the independence of Directors, proposes candidates for Board vacancies, oversees the annual performance assessment program and oversees Board succession.</p> <p>A profile of each Director setting out their skills, experience and expertise is disclosed in the Directors Report of the Company's Annual Report.</p>									
<p>2.3 A listed entity should disclose:</p> <p>a) the names of the directors considered by the board to be independent directors;  b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and  the length of service of each director.</p>	<p>Yes</p>	<p>The Company currently has the following Board members:</p> <table border="0" data-bbox="1008 1005 1971 1292"> <tr> <td data-bbox="1008 1005 1299 1069">Mr Alan Fisher</td> <td data-bbox="1299 1005 1635 1069">Independent Non-executive Chair</td> <td data-bbox="1635 1005 1971 1069">Appointed 10 Jun 2015 Chair from 21 November 2018</td> </tr> <tr> <td data-bbox="1008 1069 1299 1133">Mr Hugh Burrill</td> <td data-bbox="1299 1069 1635 1133">Independent Non-executive Director</td> <td data-bbox="1635 1069 1971 1133">Appointed 8 Oct 2015</td> </tr> <tr> <td data-bbox="1008 1133 1299 1292">Ms Mary Sontrop</td> <td data-bbox="1299 1133 1635 1292">Independent Non-executive Director</td> <td data-bbox="1635 1133 1971 1292">Appointed 1 Mar 2017, Executive Director from 14 July 2017 to 20 Feb 2018</td> </tr> </table>	Mr Alan Fisher	Independent Non-executive Chair	Appointed 10 Jun 2015 Chair from 21 November 2018	Mr Hugh Burrill	Independent Non-executive Director	Appointed 8 Oct 2015	Ms Mary Sontrop	Independent Non-executive Director	Appointed 1 Mar 2017, Executive Director from 14 July 2017 to 20 Feb 2018
Mr Alan Fisher	Independent Non-executive Chair	Appointed 10 Jun 2015 Chair from 21 November 2018									
Mr Hugh Burrill	Independent Non-executive Director	Appointed 8 Oct 2015									
Ms Mary Sontrop	Independent Non-executive Director	Appointed 1 Mar 2017, Executive Director from 14 July 2017 to 20 Feb 2018									

Principle	Follows	Disclosure
		Mr Michael Kotsanis Independent Non-executive Director Appointed 23 March 2020
2.4 A majority of the board of a listed entity should be independent directors.	Yes	Mr Alan Fisher, Mr Hugh Burrill, Ms Mary Sontrop and Mr Michael Kotsanis are Independent Directors.
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	The Chair of the Board is an Independent Director and does not hold the role of CEO.
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Company has a program for inducting new Directors. The Remuneration and Nominations Committee oversees, reviews and makes recommendations to the Board in relation to induction, training and development of Directors, to ensure they have access to appropriate learning and development opportunities to develop and maintain the skills and knowledge required to effectively perform in their role as a Director.
<b>3. Instil A Culture Of Acting Lawfully, Ethically and Responsibly</b>		
3.1 A listed entity should articulate and disclose its values	Yes	Details of the Company's Values can be found in the Code of Conduct on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>
3.2 A listed entity should: a) have and disclose a code of conduct for its directors, senior executives and employees; and b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	The IDT Code of Conduct, Board Charter and the Staff Handbook all speak to the Company's code of conduct. The Staff handbook is provided to all Directors, senior Executives and employees. It outlines the Company's expectations that personnel act with integrity, objectivity and in compliance with relevant legislation at all times. The Code of Conduct and the IDT Staff Handbook provide guidance in specific areas, including: <ul style="list-style-type: none"> <li>• Mission Statement, including Values and Relationship Statement;</li> <li>• Quality Policy;</li> <li>• Workplace Behaviour, including Equal Opportunity and Open Door Policies;</li> <li>• Occupational Health and Safety; and</li> <li>• Security Trading Policy.</li> </ul> <p>These guidelines extend to providing a safe and non-discriminatory workplace, honest and fair dealings with suppliers and customers, acting responsibly to environment and working with business partners who demonstrate similar objectives. The Company's Board Charter and Code of Conduct are available on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a></p>
3.3 A listed entity should: a) have and disclose a whistleblower policy; and b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	The Company's Whistleblower Policy is available on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>  The Policy contains measures to ensure that that the Board is informed of any material incidents (Disclosable Matters) under the policy.
3.4 A listed entity should: a) have and disclose an anti-bribery and corruption policy; and	Yes	The Company's Anti-Bribery and Corruption Policy is available on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>

Principle	Follows	Disclosure
b) ensure that the board or a committee of the board is informed of any material breaches of that policy.		The Policy contains measures to ensure that that the Company's Audit and Risk Committee is informed of any material breaches of the policy.
<b>4. Safeguard The Integrity of Corporate Reports</b>		
<p>4.1 The board of a listed entity should:</p> <p>a) have an audit committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, who is not the chair of the board, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the relevant qualifications and experience of the members of the committee; and</li> <li>5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>As at the date of this statement the Audit and Risk Committee comprises:  Hugh Burrill (Chair, Independent Non-executive Director)  Alan Fisher (Independent Non-executive Director)  Michael Kotsanis (Independent Non-executive Director)</p> <p>The Audit and Risk Committee Charter is available on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>  Details regarding relevant qualifications and experience of the members of the committee; and the number of times the committee met throughout the period and the individual attendances of the members at those meetings can be found in the Report of Directors in the Annual Report and on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a></p>
4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound	Yes	Before it approves the Company's financial statements, the Board receives from the Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records have been properly maintained and the financial statements comply with appropriate accounting standards and <i>Corporations Act 2001</i> provisions to give a true and fair view of the financial position and performance of the Company and that opinion has been formed on the basis of a sound and effectively operating system of risk management of internal control and risk management.

<b>Principle</b>	<b>Follows</b>	<b>Disclosure</b>
system of risk management and internal control which is operating effectively.		
4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company's external auditor is invited to and attends the Company's Annual General Meeting. The auditor's presence is made known to the security holders during the meeting and security holders are provided with an opportunity to address questions to the auditor.
<b>5. Make Timely and Balanced Disclosure</b>		
5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	Yes	The Company has a Continuous Disclosure Policy to ensure compliance with continuous disclosure obligations imposed by the <i>Corporations Act 2001</i> and ASX Listing Rule 3.1. Details of the Company's Continuous Disclosure Policy can be found on the Company's website <a href="http://en.idtaus.com.au/investor-centre/corporate-governance/">http://en.idtaus.com.au/investor-centre/corporate-governance/</a> . The Continuous Disclosure Policy sets out the Company's obligations and its policies and procedures to ensure timely and accurate disclosure of price sensitive information to the market.
5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company's Continuous Disclosure Policy contains measures to ensure that that the Board receives and approves copies of all material market announcements prior to them being made.
5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company's Continuous Disclosure Policy contains disclosure procedures which ensure that and new and substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of the presentation.
<b>6. Respect the Rights of Security Holders</b>		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information on the Company and its business activities is set out on the Company's website. This information includes the Company's governance policies.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company recognises the value of providing current and relevant information to shareholders and empowering shareholders through effective communication.  Notwithstanding the release of information to the ASX in accordance with the Company's continuous disclosure obligations, the Company encourages two-way communication with investors. The Company's website has a "Get In Touch With IDT" function whereby shareholders may email the Company directly in order to ask questions and receive updates. All of the Company's material announcements contain Company contact information to encourage investors to ask questions or seek clarification if they wish to do so.
6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Company has a Security Holder Communications Policy to ensure a regular and timely release of information about the Company to securities holders. Details of the Company's Security Holder Communications Policy can be found on the Company's website <a href="http://en.idtaus.com.au/investor-centre/corporate-governance/">http://en.idtaus.com.au/investor-centre/corporate-governance/</a> .



Principle	Follows	Disclosure
		All security holders receive notification of General Meetings of the Company and all security holders are entitled to vote and ask questions at General Meetings. Security holders who are unable to attend a meeting in person may submit written questions along with their proxy form which will be put to the meeting by the Chairman. Security holders are encouraged to attend and participate in General Meetings.
6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	All of the Company's resolutions put forward at a meeting of security holders are decided by a poll.
6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders are able to make contact with and receive communications from both the Company and its share registry electronically.
<b>7. Recognise and Manage Risk</b>		
<p>7.1 The board of a listed entity should:</p> <p>a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>The Company has an Audit and Risk Committee which is responsible for overseeing risk.</p> <p>As at the date of this statement the Audit and Risk Committee comprises:</p> <p style="padding-left: 40px;">Hugh Burrill (Chair, Independent Non-executive Director) Alan Fisher (Independent Non-executive Director) Michael Kotsanis (Independent Non-executive Director)</p> <p>The Audit and Risk Committee Charter is available on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>. Details regarding relevant qualifications and experience of the members of the committee; and the number of times the committee met throughout the period and the individual attendances of the members at those meetings composition, meetings and Charter of the Audit and Risk Committee can be found in the Report of Directors in the Annual Report and on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a> <a href="http://en.idtaus.com.au/investor-centre/corporate-governance/">http://en.idtaus.com.au/investor-centre/corporate-governance/</a></p>
<p>7.2 The board or a committee of the board should:</p> <p>a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>Through the Audit and Risk Committee, the Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management, compliance and internal control. the Audit and Risk Committee is also responsible for satisfying itself that the entity is operating with due regard to the risk appetite set by the Board.</p> <p>The Company's Risk Register is presented to each meeting of the Audit and Risk Committee and to the Board on a half yearly basis. More frequent updates are provided where items have been identified which materially impact the risk environment.</p>

Principle	Follows	Disclosure
<p>7.3 A listed entity should disclose:</p> <p>a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	No	The Company does not have an internal audit function. The Board is of the view that it is unusual for companies the size of IDT to have an internal audit function. Instead it relies on its internal control environment to protect against fraud and error.
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	The Company's material economic, environmental and social sustainability risks and the management thereof are detailed in the Report of Directors of the Annual Report.
<p><b>8. Remunerate Fairly and Responsibly</b></p>		
<p>8.1 The board of a listed entity should:</p> <p>a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>1) has at least three members, a majority of whom are independent directors; and</li> <li>2) is chaired by an independent director, and disclose:</li> <li>3) the charter of the committee;</li> <li>4) the members of the committee; and</li> <li>5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>N/A</p>	<p>The Company has a Remuneration and Nominations Committee.</p> <p>The Remuneration and Nominations Committee comprises of independent Directors. The Chair is Mary Sontrop who is an Independent Non-executive.</p> <p>Details of the Company's The Remuneration and Nominations Committee Charter can be found on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>.</p> <p>As at the date of this statement the Remuneration and Nominations Committee comprises:</p> <p style="padding-left: 40px;">Mary Sontrop (Chair, Independent Non-executive) Hugh Burrill (Independent Non-executive) Michael Kotsanis (Independent Non-executive)</p> <p>Details regarding these Directors' qualifications and attendance at committee meetings along with the composition and charter of the Remuneration and Nomination Committee can be found in the Report of Directors in the Annual Report and on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>.</p>
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Yes	The Company discloses remuneration of Director and key management personnel in its Annual Report.

Principle	Follows	Disclosure
		<p>Non-executive Director remuneration is determined within an aggregate Director fee pool limit, which is periodically referred to shareholders for approval. Remuneration of the Chair, senior executive and Chief Executive Officer is determined independent to Non-executive Director fees, and are based on comparative market rates.</p> <p>Executive remuneration is set at levels intended to attract, retain and motivate high quality executives to manage the Company's operations. Short and long term performance incentives may include performance and production bonus payments, shares or options granted at the discretion of the Board and subject to obtaining the relevant approvals.</p> <p>Further detail of the company's remuneration policies and practices is provided in the Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</li> <li>b) disclose that policy or a summary of it.</li> </ul>	No	<p>The Company has not established a policy on this matter. The Company's current Employee Share Plan (ESP) only provides for the issue of fully paid ordinary shares in the Company at market value, which may in certain circumstances be funded by an interest free limited recourse loan from the Company.</p> <p>Directors and Employees are required to comply with the Company's Securities Trading Policy which can be found on the Company's website <a href="https://en.idtaus.com.au/investors/corporate-governance/">https://en.idtaus.com.au/investors/corporate-governance/</a>.</p>