

# **Invion Limited ACN 094 730 417**

## **Corporate Governance Charter**

**Adoption Date: May 2013**

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### **1 Board Charter**

#### **1.1 Introduction**

This policy outlines the Company's corporate governance practices. The conduct of the Board is also governed by the Constitution. Where there is an inconsistency between this document and the Constitution, the Constitution will prevail to the extent of the inconsistency.

#### **1.2 Guiding principle**

Each Director has an overriding responsibility to act in good faith and in the best interests of the Company. In assessing the Company's best interests, the Board may, however, have regard to the interests of:

- (a) Shareholders (with a view to building sustainable value for them);
- (b) employees of the Group; and
- (c) other people or entities with whom the Group deals.

#### **1.3 Functions of the Board**

The Board's broad functions are:

- (a) to chart strategy and set financial targets for the Group;
- (b) to monitor the implementation and execution of strategy and performance against financial targets;
- (c) to appoint and oversee the performance of executive management; and
- (d) to generally take an effective leadership role in relation to the Group.

#### **1.4 Responsibilities of the Board**

The Board's responsibilities include:

- (a) determining the Board's composition (including appointment and retirement or removal of Directors);
- (b) oversight of the Group (including its control and accountability systems);
- (c) appointing and removing the CEO or equivalent;
- (d) ratifying the appointment and the removal of Senior Executives, where appropriate;
- (e) reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct, and legal compliance;
- (f) approving and formulating company strategy and policy;
- (g) monitoring Senior Executive's implementation of strategy;
- (h) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and sales;
- (i) approving and monitoring financial and other reporting;
- (j) performance of investment and treasury functions;
- (k) monitoring industry developments relevant to the Group and its business;
- (l) developing suitable key indicators of financial performance for the Group and its business;
- (m) having input in, and granting final approval of, corporate strategy and performance objectives developed by management;
- (n) the overall corporate governance of the Group (including its strategic direction and goals for management, and monitoring the achievement of these goals); and
- (o) oversight of Committees.

## **1.5      Board Composition**

- (a)      The Chairman:
  - (i)      must be appointed from the Board's membership;
  - (ii)     should be an Independent Director;
  - (iii)    cannot be the CEO of the Company;
  - (iv)     is responsible for the Board's leadership and for its efficient organisation and conduct; and
  - (v)      should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors, and between the Board and the Senior Executives;
- (b)      The Board should comprise:
  - (i)      members with a broad range of experience, expertise, skills, diversity and contacts relevant to the Group and its business;
  - (ii)     no less than three Directors, the majority of whom should be Independent Directors;
  - (iii)    more than three Directors where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified.

## **1.6      Ethical standards and values**

- (a)      All Directors will act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.
- (b)      The Directors will comply with the Code of Conduct in the exercise of their duties.

## **1.7      Independence of Directors**

- (a)      The Board will regularly assess whether each Director remains an Independent Director in the light of the interests disclosed by them.
- (b)      Each Director will provide the Board with all relevant information for this purpose.
- (c)      The independence of Directors will be disclosed in the annual report.
- (d)      Where the Board decides a Director has ceased to be an Independent Director, this will be disclosed to the market.
- (e)      The Company will, from time to time, assess and consider whether a greater number of independent directors are necessary.

## **1.8      Appointment and retirement of Directors**

- (a)      The terms of the appointment of all new Directors will be set out in a letter of appointment.
- (b)      All Directors, excluding the CEO (if a Director), must retire in accordance with the requirements of the Constitution and the Listing Rules. Retiring Directors may, in these circumstances, be eligible to be re-elected.

## **1.9      Performance review and evaluation of Directors**

- (a)      The performance of all other Directors and Senior Executives should be reviewed and assessed each year by the Chairman.
- (b)      The Chairman's performance should be reviewed and assessed each year by the other Directors.
- (c)      The evaluation criteria and process to be followed is the same in each case.
- (d)      The Chairman determines the evaluation criteria and process.
- (e)      A Director whose performance is unsatisfactory may be asked to retire.
- (f)      An external assessment of the Board's policies, procedures and general effectiveness, should normally be conducted by independent professional consultants at intervals of no more than three years.
- (g)      The Board should satisfy itself that its performance is efficient so that all Directors meet their obligations and are not exposed to any legal liability.

- (h) Each Director will cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by:
- (i) the Chairman;
  - (ii) any other Director; or
  - (iii) any independent third party externally appointed for the purpose.

1.10 **Training and advice for Directors**

- (a) Before accepting the appointment and continuously after their appointment, Directors will be provided with information about the Group -appropriate for them to discharge their responsibilities.
- (b) Directors will be given access to continuing education in relation to the Group extending to its business, the industry in which it operates, and other information required by them to discharge their responsibilities.
- (c) Each Director may seek independent legal or other professional advice at the Company's expense. Prior approval from the Chairman is required and will not be unreasonably withheld or delayed.

1.11 **Board meetings**

- (a) Board meetings will normally be held monthly, and should occur at least ten times in any year.
- (b) Papers for Board meetings will normally be circulated at least five days before the relevant meeting.
- (c) Draft minutes of Board meetings will normally be circulated within two days following each meeting.
- (d) Non-executive Directors will normally meet at least twice each year for a private discussion of management issues.

1.12 **Secretary**

The Secretary is accountable to the Board, through the Chairman, on all corporate governance matters and is responsible for:

- (a) Monitoring this policy, any Corporate Governance Policy and any Committee charter, to ensure they are followed;
- (b) Ensuring the Board complies with the reporting procedure for Price Sensitive Information;
- (c) Ensuring the Board is informed of Price Sensitive Information and any Continuous Disclosure Announcements made;
- (d) Coordinating the timely completion and despatch of board agenda, briefing materials and draft minutes of Board meetings; and
- (e) Monitoring and promoting an understanding of compliance within the Company.

1.13 **CEO and CFO responsibilities**

- (a) Both the CEO and CFO will state in writing to the Board, when providing it with financial reports, that the Company's financial reports:
  - (i) have been properly maintained;
  - (ii) present a true and fair view, in all material respects, of the Company's financial conditions and operational results;
  - (iii) are in accordance with relevant accounting standards; and
  - (iv) are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- (b) The Board has delegated to the CEO authority over the day to day management of the Company and including responsibility for:
  - (i) managing the Company's financial and other reporting requirements and ensuring the information is accurate and presented to the Board in a timely manner; and

- (ii) ensuring the Board is provided with adequate information to make fully-informed decisions.

1.14 **Committees**

- (a) The Board may establish and delegate powers to Committees to assist the Board to carry out its functions effectively and efficiently. The Board will adopt a charter for each Committee, setting the scope of its responsibility and relevant administrative and procedural arrangements.
- (b) At the date of this document, the Board has established an Audit and Risk Management (ARM) Committee, charter set out in Schedule 1; and a Nomination and Remuneration Committee, charter set out in Schedule 2.

1.15 **Business risks**

- (a) The risks of the Company's and the Group's business should be a standing item on the agenda for each regular meeting of the Board. Once a risk is identified, an action plan should be proposed by management for submission to the Board.
- (b) Corrective action should be taken as soon as reasonably practicable after adoption of an action plan.
- (c) The Group Operating Policies and Procedures should contain procedures that aim to address risk management issues.
- (d) The Senior Executives should take steps to ensure staff are provided with, and comply with, the Group Operating Policies and Procedures.
- (e) The Board should review and approve the Group Operating Policies and Procedures at least annually.
- (f) The Board should record in its minutes as and when Senior Executives have reported on the effectiveness of the Company's management of its material business risks.

1.16 **Continuous Disclosure Obligations**

- (a) The Company's continuous disclosure obligations will be a standing item on the agenda for each regular Board meeting.
- (b) Price Sensitive Information and other information reasonably required by an investor to make an informed assessment of the Company and the Group's activities and results will be reported to ASX in accordance with continuous disclosure requirements.
- (c) Directors must promptly provide details of any matter within their knowledge that might require disclosure to the market under the continuous disclosure obligations.

1.17 **Communication with Shareholders**

- (a) The Annual Report will be distributed to all Shareholders in accordance with the requirements of the Corporations Act and Listing Rules.
- (b) The Annual Report will include relevant information about the operations of the Group during the year, changes in the state of affairs of the Group, and details of future developments in addition to the other disclosures required by the Corporations Act.
- (c) At each Annual General Meeting of Shareholders (AGM), Shareholders will be asked to vote on:
  - (i) proposed major changes in the Group which may impact on share ownership rights; and
  - (ii) the removal and appointment of Directors.
- (d) If resolutions are required to be put to Shareholders before the next AGM, a General Meeting (EGM) will be convened as specified in the Constitution.
- (e) The Board encourages the full participation of Shareholders at the AGM and at other general meetings to contribute to a high level of accountability.

- (f) The half-yearly report will contain summarised financial information and a review of the operations of the Group during the period. The report will be lodged with and is available from ASX and ASIC, and will also be sent to any Shareholder who requests it from the Company.
- (g) Company announcements will be made in a factual, timely, clear, and objective manner, and include any information material to decisions of Shareholders and potential investors in the Company.
- (h) Information about the Company and the Group, including copies of announcements made through ASX and the annual report and half-yearly report, will be made available to Shareholders and prospective investors on the Company's website.
- (i) The Company has a continuing commitment to electronic communication with Shareholders and stakeholders generally, including through its website.

**1.18 Disclosure of Board selection process**

- (a) The Board undertakes to promote transparency about the Board selection process and to report to Shareholders on this process in the Company's annual report and may include information about:
  - (i) the use by the Company of a Board skills matrix to identify any gaps in the skills, qualifications, diversity and experience of the Directors on the Board;
  - (ii) the process by which candidates are identified and selected, including whether professional intermediaries are used to identify and assess candidates;
  - (iii) the steps taken to ensure a diverse range of candidates is considered; and
  - (iv) the factors taken into account in the selection process.

**1.19 Recognition of interests of stakeholders**

- (a) The Company will function within, and operate with a sense of responsibility to, the wider community as well as to Shareholders. This sense of responsibility to stakeholders is an important part of the Company's role within the broad community and represents not only sound ethics but also good business sense and commercial practice.
- (b) Constructive feedback on the Company's contribution to and role within the community will be welcomed at AGMs and through the Company's website.

**1.20 The Company's budget**

- (a) An annual budget will be prepared by Senior Executives and approved by the Board.
- (b) Actual results, including both profit and loss statement and cash flow statement, will be reported on a monthly basis against budget. Forecasts for the year will be reviewed and revised regularly. Revised budgets will be prepared as required.

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**2 Code of Conduct**

**2.1 Objective**

This code seeks to give the Directors guidance on how best to perform their duties, meet their obligations and understand the Company's corporate governance practices.

**2.2 Obligation to comply with code and law**

- (a) Each Director agrees to, at all times, comply with this code, as well as the law.
- (b) Each Director agrees to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.
- (c) Each Director acknowledges that a Board position involves legal and ethical responsibilities and a commitment to upholding the values of good corporate citizenship, in both individual conduct and corporate actions.

## 2.3 General duties

- (a) Directors agree to:
  - (i) act in good faith in the best interests of the Company and for a proper purpose;
  - (ii) avoid any potential conflict of interest or duty;
  - (iii) exercise a reasonable degree of care and diligence;
  - (iv) not make improper use of information; and
  - (v) not make improper use of their position.
- (b) Breaches of these duties may expose Directors to potential liability in damages, fines and disqualification.
- (c) Each Director, in the exercise of his or her powers, and in the discharge of his or her duties, agrees to exercise the degree of care and diligence that a reasonable person would exercise if he or she were a Director:
  - (i) in the circumstance prevailing;
  - (ii) occupying the same position; and
  - (iii) with the same responsibilities within the Company as the Director.
- (d) A Director is a fiduciary and agrees to act with fidelity and trust in company matters. The Board has been appointed to manage the Company's affairs and should have regard not only to the interests of Shareholders but, in appropriate circumstances, to the interests of other third parties including creditors, regulators and the community.
- (e) A Director who is appointed but fails to acquire and maintain a reasonable level of competence may be considered negligent.
- (f) Each Director will aim to attend at least one continuing education seminar per year to remain informed of matters relevant to their position as a Director.
- (g) The Company maintains a directors' and officers' liability insurance. Directors must be fully aware of the terms of this insurance to qualify for protection under it.

## 2.4 Business judgment rule

- (a) A director's duty to act with care and diligence may be satisfied where the director:
  - (i) makes a decision in good faith and for a proper purpose;
  - (ii) has no material personal interest in the subject matter of the decision made;
  - (iii) is informed about the subject matter of the decision, to the extent the director reasonably believes to be appropriate;
  - (iv) rationally believes the decision to be in the best interest of the Company.
- (b) The business judgment rule:
  - (i) relates only to decisions about the ordinary business operations of the Company; and
  - (ii) does not relieve a Director from other duties, such as to act in good faith, not to misuse the position of director and not to make improper use of information obtained because they are, or have been, a director or other officer or employee of the Company.
- (c) A business judgment is any decision to take or not to take action relating to the business operations of the Company, it does not apply to any failure to make a decision.

## 2.5 Independent decision making and soundness of decisions

- (a) A Director must be independent in his or her judgment and actions, and must take all reasonable steps to be satisfied about the soundness of all Board decisions.
- (b) To satisfy this requirement a Director must:
  - (i) make a reasonable effort to become and remain familiar with the affairs of the Group;
  - (ii) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
  - (iii) commit the necessary time and energy to Board matters.

- (c) Directors may rely on advice relating to the Company or the Group or their affairs only where that advice is given or prepared by:
  - (i) an employee whom the Director believes, on reasonable grounds, to be reliable and competent in the relevant subject;
  - (ii) a professional adviser or expert in a subject the Director believes, on reasonable grounds, to be within the person's professional or expert competence;
  - (iii) another Director or officer on the subject within that Director's or officer's authority; or
  - (iv) a Committee, on which the Director did not serve, on a subject within the Committee's authority.
- (d) Directors should only rely on information or advice if the Director's reliance was made in good faith, after independently assessing the information and advice, considering the Director's knowledge of the Company and Group and the complexity of their structure and operations.

#### **2.6 Confidentiality of Board matters and other information**

- (a) All information received by Directors to carry out their duties is to be regarded as confidential and the property of the Company.
- (b) Directors agree to keep confidential any Board matters and all confidential information received in the course of the exercise of their duties, which includes Price Sensitive Information and information that is not Price Sensitive Information but might reasonably be of use or of interest to investors.
- (c) A Director may not disclose information, or allow it to be disclosed, to any other person unless disclosure is authorised by the Company or the information is required by law to be disclosed.
- (d) All discussions and resolutions of the Board must also be kept confidential and their content must not be disclosed, or allowed to be disclosed, to persons who are not Directors, except in cases where disclosure:
  - (i) has been authorised by the Company; or
  - (ii) is required by law.
- (e) Authorisation by the Company is presumed to the extent the Board (or Committee) minutes state or imply that it is intended that disclosure should be made to third parties.
- (f) Any Director in any doubt about his or her obligations of confidentiality or in relation to any matter of disclosure should consult with the Chairman before making any disclosure.

#### **2.7 Improper use of information**

Each Director agrees not to make improper use of information acquired as a Director to gain, directly or indirectly, any personal advantage or any advantage for any other person detrimental to the Company or the Group.

#### **2.8 Cooperation**

Each Director agrees to observe solidarity with Board resolutions and cooperate in their implementation.

#### **2.9 Personal interests and conflicts**

- (a) No Director may allow any personal interest, or the interest of any associated person, to influence or prejudice the Director's conduct or any Board (or Committee) decision.
- (b) A Director has a duty to avoid any conflict between:
  - (i) the interests of, or duty to, the Company; and
  - (ii) his or her own personal interests or the interests of, or duty to, any third party.
- (c) Every Director should be actively vigilant for both actual and potential conflicts of interest or duty.
- (d) A Director with a conflict of interest or duty should refrain from voting, or entering into any discussion, or even being present during relevant Board discussions.

- (e) A Director who has any material personal interest (whether direct or indirect, pecuniary or otherwise) in a matter must not be present at a meeting while the matter is being considered and must not vote on the matter.
- (f) Papers relevant to any matter on which there is a known conflict of interest, or in relation to which there is a material personal interest, will not be provided to any Director concerned.

#### **2.10 Conduct by Directors**

- (a) A Director will not engage in conduct likely to discredit the Company or the Group.
- (b) Each Director should be aware of and observe any standing orders adopted by the Board, from time to time, for the conduct of Board and Committee meetings.
- (c) Directors will at all times comply with the spirit as well as the letter of the law and with the principles of this code.
- (d) Directors will conduct themselves at all times in a sober, polite, lawful and restrained manner in carrying out their duties at Board and Committee meetings, at Company functions and meetings, and where otherwise dealing with matters about or involving the Company.

#### **2.11 Dealings in Securities**

Each Director will comply with the Securities Trading Policy in respect of any dealings in Securities.

#### **2.12 Complaints procedure**

- (a) Directors may be approached by Shareholders, staff or other persons who have a complaint about a matter relating to the Company or the Group. Directors are bound by the complaints procedure adopted by the Board in the Group Operating Policies and Procedures.

### **3 Continuous Disclosure Policy**

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- (a) The Company will comply with the continuous disclosure regime in section 674 of the Corporations Act and under Listing Rule 3.1.
- (b) The continuous disclosure regime requires the Company to immediately disclose information which may materially affect the price or value of the Company's Securities. The continuous disclosure regime reflects the expectation of investors and the market to have ready access to that type of information.
- (c) The Company is committed to complying with the continuous disclosure regime. The Board has a Continuous Disclosure Policy, which includes a framework to identify, report and disclose Price Sensitive Information.

### **4 Diversity Policy**

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- (a) The Company is committed to fostering a governance culture that embraces employee diversity, particularly in the composition of its Board and Senior Executive.
- (b) The Board will establish measurable objectives and procedures in line with its Diversity Policy, which the Company will implement and report against to achieve employee and Board diversity.

### **5 Standing rules of Committees**

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#### **5.1 Application**

These rules apply to and are deemed incorporated into the charter of each Committee.

#### **5.2 Composition**

- (a) Each Committee will consist of a majority of Independent, Non-Executive Directors.
- (b) The Board will appoint one member of any Committee to act as its chairman. The chairman of each Committee will be an Independent Director but not the Chairman of the Board.

- (c) Each Committee will consist of no fewer than three members.
- (d) Committees are appointed by the Board and serve as the Board determines.

#### **5.3 Role**

Each Committee's role is to improve the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

#### **5.4 Proceedings**

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.
- (b) The quorum for a Committee meeting is any two members.
- (c) A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as the Committee decides, for discussion of any particular matter relevant to that Director or in relation to which that Director may have a special contribution to make.
- (d) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (e) The procedural provisions of this paragraph apply in relation to any sub-committee of a Committee.

#### **5.5 Reporting**

Each Committee must report in writing to the Board after each Committee meeting and provide a copy of the Minutes.

#### **5.6 Secretary**

The Secretary has responsibility for coordinating the completion and despatch of Committee agenda and briefing materials, as well as drafting minutes of meetings of each Committee.

#### **5.7 Performance review and evaluation**

- (a) The same procedures apply as for the Board.
- (b) Review and evaluation are conducted against the Board Charter and any criteria the Chairman decides.
- (c) The Committee must report to the Board on the conduct and results of its review and evaluation and make recommendations it considers appropriate.

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## **6 Definitions and interpretation**

#### **6.1 Definitions**

In this document:

<b>Term</b>	<b>Definition</b>
<b>AGM</b>	means the annual general meeting of the Company.
<b>ARM Committee</b>	means the Audit and Risk Management Committee responsible for the matters set out in the charter contained in Schedule 1.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of Directors.
<b>Chairman</b>	means the chairman of the Board.
<b>CEO</b>	means the executive officer (by whatever title known, whether

<b>Term</b>	<b>Definition</b>
<b>Committee</b>	chief executive officer, managing director or otherwise) with sole responsibility for the strategic and operational management of the Group.
<b>Constitution</b>	means a committee of the Board.
<b>Continuous Disclosure Policy</b>	means the constitution of the Company.
<b>CFO</b>	means the Company's Continuous Disclosure Policy, which is set out in a separate document.
<b>Company</b>	means the chief financial officer or equivalent officer (by whatever title known) of the Company.
<b>Corporate Governance Policy</b>	means Invion Limited ACN 094 730 417.
<b>Corporations Act</b>	means the Continuous Disclosure Policy, Diversity Policy or the Securities Trading Policy.
<b>Director</b>	means the Corporations Act 2001 (Cth).
<b>Diversity</b>	means a director of the Company.
<b>Diversity Policy</b>	means, but is not limited to, diversity of gender, age, ethnicity and cultural background.
<b>Group</b>	means the Company's policy regarding Diversity, which is set out in a separate document.
<b>Group Operating Policies and Procedures</b>	means the Company and its controlled entities.
<b>Independent Director</b>	means the policy and procedures applicable to the Group from time to time, adopted by the Board.
	means a Director who is not a Senior Executive and who:
(a)	is not a substantial Shareholder, or an officer of a substantial Shareholder, and is not otherwise associated, directly or indirectly, with a substantial Shareholder;
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(b)	has not, within the last three years, been employed in an executive capacity by the Company or another Group member; or
(c)	has not, within the last three years, been a Director after ceasing employment in an executive capacity for the Company or another Group member;
(d)	has not, within the last three years, been a principal of a professional advisor to the Company or another Group member or an employee materially associated with the service provided, except where the advisor might be considered to be independent, due to the fact that fees payable by the Company to the advisor's firm represent an insignificant component of the advisor's firm overall revenue;
(e)	is not a material supplier or customer of the Company or another Group member;
(f)	is not an officer of, or associated directly or indirectly with, a material supplier or customer;
(g)	has no material contractual relationship with the Company or another Group member other than as a Director;

<b>Term</b>	<b>Definition</b>
	<p>(h) is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the Company's best interests; and</p> <p>(i) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the Company's best interests.</p>
<b>Key Management Personnel Listing Rules</b>	<p>has the meaning given to that term in the Corporations Act.</p> <p>means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.</p>
<b>Nomination and Remuneration Committee</b>	means the Nomination and Remuneration Committee responsible for the matters set out in the charter contained in Schedule 2.
<b>Price Sensitive Information</b>	<p>means information that:</p> <p>(a) relates to the financial affairs of the Company or the Group;</p> <p>(b) may give the person proposing to deal in Securities an advantage over other persons holding or dealing in Securities; and</p> <p>(c) if it were generally available, would be likely to materially affect the price of the Securities in question.</p> <p>For the avoidance of doubt, the following will be typically regarded as Price Sensitive Information:</p> <p>(a) material changes in the Group's turnover;</p> <p>(b) current or prospective profit figures for the Group;</p> <p>(c) proposed bonus issues or other new share issues;</p> <p>(d) proposed major disposals or acquisitions of assets;</p> <p>(e) proposed major contracts beyond the size and nature of contracts normally undertaken by the Group;</p> <p>(f) proposed changes in capital structure of the Company;</p> <p>(g) proposed changes to the Board other than filling a casual vacancy or a retirement due to ill health or similar situation;</p> <p>(h) proposed changes in the general character or nature of the business of the Group;</p> <p>(i) information regarding changes in the holdings of substantial Shareholders;</p> <p>(j) proposed significant changes in the holdings of any Director;</p> <p>(k) appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade</p>

<b>Term</b>	<b>Definition</b>
	debt, borrowing or securities held by the Company or any member of the Group;
(l)	recommendations or declarations of a dividend or distribution by the Company;
(m)	undersubscriptions or oversubscriptions to an issue of shares;
(n)	transactions for which the consideration payable or receivable is a significant proportion of the written-down value of the Company's consolidated assets;
(o)	claims against the Company or any other company in the Group for which the excess or damages (or both) payable by it is a significant proportion of the written-down value of the Company's consolidated assets;
(p)	information about the beneficial ownership of securities obtained under Part 6C.2 Corporations Act;
(q)	giving or receiving a notice of intention to make a takeover of the Company; or
(r)	an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).
<b>Secretary</b>	means the secretary of the Company.
<b>Securities</b>	means all securities issued by the Company of any kind, including ordinary shares, preference shares, debentures, convertible notes and options.
<b>Senior Executives</b>	means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of the Company, and its financial performance.
<b>Securities Trading Policy</b>	means the Company's securities trading policy adopted by the Board
<b>Shareholder</b>	means a holder of shares in the Company.

## 6.2 Interpretation

Concepts not defined in this document which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

# Schedule 1

## ARM Committee charter

### 1 Objectives

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- (a) The objectives of the Invion Audit Committee are to assist the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management, including:
    - (i) the integrity of Invion's financial reporting;
    - (ii) compliance with legal and regulatory obligations;
    - (iii) the effectiveness of Invion's enterprise-wide risk management and internal control framework; and
    - (iv) oversight of the independence of the external auditors.
  - (b) In particular, the Committee is to undertake the functions of the audit committee set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd Edition (ASX Principles).

### 2 Membership

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- (a) The Committee is appointed by the Board in accordance with Clause 18.7 of the Invion Constitution.
  - (b) The Committee is to consist of:
    - (i) only Non-Executive Directors;
    - (ii) at least three members;
    - (iii) a majority of Independent Directors;
    - (iv) members who are able to read and understand financial statements; and
    - (v) at least one member who has financial expertise, that is, a qualified accountant or other financial professional with financial and accounting experience.
  - (c) The Chairman of the Committee is to be an independent Non-Executive Director and is to be appointed by the Board.
  - (d) The Secretary is to attend all Committee Meetings and is to ensure minutes are taken of the Meeting.

### 3 Meetings

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- (a) The Committee should meet at least four times a year. If required, additional Meetings may be requested through the Committee Chairman by any member, the Company Secretary, or the relevant partner from the external auditor.
  - (b) As required by the Invion Constitution, a quorum for a Committee Meeting is two members.
  - (c) All Directors receive Committee papers and have a standing invitation to attend Committee meetings. Directors who are not Committee members may attend Meetings.
  - (d) Minutes of the meetings of the Committee are included in the papers for the next regularly scheduled Board meeting.
  - (e) Appropriate Invion Management and representatives of the Auditor are to attend Committee Meetings as required and at the invitation of the Committee Chairman.
  - (f) At least twice annually the Committee will:
    - (i) meet with Invion Management (without the Auditor) to discuss any issues relating to the external audit; and
    - (ii) separately meet with the Auditors (without Management) to discuss any relevant issues and seek assurance that no Management restrictions are being placed upon the Auditor.
  - (g) The Committee will report on its Meetings to the Board as required by the ASX Principles.

- (h) Recommendations of the Committee are to be referred to the Board for approval, with the exception of:
- (i) rotation of partners of the external auditor; and
  - (ii) approval of the audit plans and engagement letters of the external auditor, including the payment of annual fees and variations to approved fees of greater than 10%.

#### **4 Access to Information, Independent Advice and Continuing Development**

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- (a) The Committee will maintain free and open communication with Invion Management and the Auditors. The Committee has the authority to seek any information it requires from any employee of the Company and all employees must comply with such requests.
- (b) The Committee may take such independent legal, financial or other advice as it considers necessary.
- (c) The Committee should understand the Company structure, operations and key developments relevant to the Committee and may receive periodic presentations from subject matter experts to assist in achieving such an understanding.

#### **5 Responsibilities and Duties**

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- (a) The Committee is responsible for the review and monitoring of financial reporting, audit and risk management strategies, systems, policies and processes implemented, and reported on, by Invion Management.
- (b) Members of the Committee generally do not represent themselves as experts in the fields of accounting, auditing or risk management. As such, it is not the responsibility of the Committee directly to conduct accounting, audit or risk reviews.
- (c) Committee members are entitled to rely on Invion Management on matters within their responsibility and on the expertise of external professionals. Committee members may rely on the accuracy of information provided by such persons, so long as the members are not aware of any reasonable grounds upon which such reliance or assumption may not be appropriate.
- (d) Management is responsible for:
  - (i) the preparation, presentation and integrity of the Company's financial information and other information provided to the Committee;
  - (ii) implementing, managing and maintaining appropriate enterprise-wide accounting, financial reporting and risk management strategies, systems, policies and processes, reporting protocols and internal controls that are designed to ensure compliance with applicable accounting standards, laws and regulations; and
  - (iii) maintaining sufficient knowledge, skills and expertise within the Invion finance function.
- (i) The Auditor is responsible for planning and carrying out each audit and review in accordance with applicable auditing standards. The Auditor is accountable to shareholders through the Committee.

#### **6 Review of Financial Information**

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- (a) The Committee will review the draft half yearly and annual financial statements of Invion prior to consideration by the Board, to assess whether they represent a true and fair view of Invion for reporting purposes, financial position and performance.
- (b) The Committee should focus on:
  - (i) compliance with accounting standards (including an assessment of the appropriateness of management's selection of accounting policies and disclosures);
  - (ii) the reasonableness of significant estimates and judgments in the Company's financial statements, including by making enquiries of management and the Auditor;

- (iii) significant or unusual transactions and accounting estimates;
  - (iv) significant changes in accounting policies and practices;
  - (v) underlying earnings and major judgmental areas;
  - (vi) significant audit adjustments and unadjusted audit differences; and
  - (vii) the form of the proposed opinion to be issued by the external auditor.
- (c) The Committee will review the Declarations signed by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act and Recommendations 7.2 and 7.3 of the ASX Principles.

## **7 Legal and Regulatory Compliance**

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- (a) Without limiting its scope, the Committee will, in conjunction with the Board and Invion Management, monitor the Company's compliance with all relevant:
  - (i) statutory and regulatory obligations, including the ASX's continuous disclosure obligations; and
  - (ii) internal policies and procedures.
- (b) The Committee will consider the effects on the Company of any new or proposed accounting or tax practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements.

## **8 Enterprise-Wide Risk Management and Control Framework**

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- (a) The Committee will, after taking into account the work of the Board, review Invion Management's establishment and operation of an enterprise-wide risk management system which is designed to identify, assess, monitor and manage material business risk throughout Invion, in relation to audit, accounting, tax and financial reporting risk and obligations.
- (b) The Committee will consider the adequacy and effectiveness of Invion's internal control framework by reviewing reports from Management and external auditors, and by monitoring Management responses and actions to correct any noted deficiencies.
- (c) In assisting the Board, the Committee is to confirm there are adequate procedures for the receipt, retention and treatment of complaints (including "whistleblowing" complaints) received by Invion, including procedures relating to risk management, legal and regulatory compliance, accounting, internal controls or auditing. This is to include a process for confidential anonymous complaints by employees or other stakeholders.

## **9 Auditor**

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- (a) The Committee will:
  - (i) recommend to the Board the appointment, reappointment or replacement of the Auditor;
  - (ii) approve rotation of partners of the Auditor;
  - (iii) review and approve the audit plans and engagement letters of the Auditor, including payment of annual fees and variations to approved fees of greater than 10%;
  - (iv) review the overall scope of the audit, including identified risk areas and any additional agreed-upon procedures;
  - (v) consider the overall effectiveness and independence of the Auditor; and
  - (vi) resolve any disagreements between Management and the Auditor regarding financial reporting.
- (b) The Committee will monitor and note compliance by the Auditor with the independence requirements imposed by the Corporations Act and will receive and review the Auditor's

- Independence Declaration to be provided to the Directors of Invion by the Auditor pursuant to section 307C of the Corporations Act.
- (c) The Committee will implement a process for approval of all audit and non-audit services provided by the Auditor (who are not to be appointed to undertake any non-audit assurance services that may impair the external auditor's judgment or independence in respect of Invion).
  - (d) On an annual basis, the Committee will review a report from the Auditor:
    - (i) confirming that the audit firm's internal quality control and conflict procedures are in place and operating; and
    - (ii) describing any material issues raised by the most recent quality control, or peer review, of the audit firm and any steps taken to deal with any such issues.
  - (e) The Committee and Management will agree the hiring policies for employees or former employees of the Auditor to comply with the Corporations Act and to prevent the impairment or perceived impairment of the Auditor's judgment to independence.
  - (f) Prior to the annual approval of the Directors' Report, the Committee will pass a resolution to provide the Board with the written advice required by section 300(11D)(a) of the Corporations Act relating to:
    - (i) whether any non-audit services provided during the year by the Auditor are compatible with the general standard of independence of auditor imposed by the Corporations Act; and
    - (ii) the reasons why the Board should be satisfied that any non-audit services provided during the year by the Auditor did not compromise the Auditor independence requirements of the Corporations Act.

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**10 Other**

The Committee shall examine any other matters referred to it by the Board.

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**11 Committee Performance**

- (a) To determine whether it is functioning effectively, once each year the Committee shall:
  - (i) review this Charter; and
  - (ii) perform an evaluation of its performance.

## Schedule 2

### Nomination and Remuneration Committee Charter

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#### 1 Objective

- 1.1 The objective of the Nomination and Remuneration Committee is to assist the Board of Invion Limited in fulfilling its duties and responsibilities by reviewing, advising and making recommendations to the Board on:
- (a) Nomination
    - (i) making recommendations to the Board in relation to Board composition, taking into account diversity objectives and the required mix of skills and experience;
    - (ii) recommending to the Board a process for succession planning;
    - (iii) recommending to the Board an induction process for new directors;
    - (iv) recommending and implementing a process for evaluating the performance of the Board, taking into account diversity objectives and the required mix of skills and experience;
    - (v) evaluating the performance of the CEO and other Key Management Personnel; and
    - (vi) monitoring the implementation by management of the strategic objectives and policies listed above.
  - (b) Remuneration
    - (i) reviewing and implementing policies for the purposes of using remuneration to foster long-term growth and success;
    - (ii) monitoring the implementation by management of the Board's strategic objectives and policies
    - (iii) recommending to the Board remuneration for non-executive directors
    - (iv) recommending to the Board remuneration arrangements for the CEO and other Key Management Personnel; and
    - (v) overseeing the implementation of any company share plan or other incentive scheme (including the vesting and conversion to ordinary shares).

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#### 2 Membership

- (a) The Committee is appointed by the Board in accordance with Clause 18.7 of the Invion Constitution.
- (b) The Committee is to consist of:
  - (i) only Non-Executive Directors;
  - (ii) at least three members;
  - (iii) a majority of Independent Directors

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#### 3 Meetings

- (a) The Committee will meet at least annually, but as frequently as required. A quorum shall be two members. The Secretary will act as Secretary to the Committee.

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#### 4 Conflicts of Interest

- (a) Except for deliberations of Board remuneration, a Committee member shall not be present when his or her salary, incentives or performance is being discussed.

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#### 5 Reporting

- (a) The minutes of Committee Meetings shall be signed by the Committee Chair and provided to the Board at its next meeting.

- (b) If the Committee engages advisors on matters relating to remuneration, these arrangements will be disclosed on the Corporate Governance section of the Annual Report.

## **6 Committee Performance**

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- (a) To determine whether it is functioning effectively, once each year the Committee shall:
- (i) review this Charter; and
  - (ii) perform an evaluation of its performance.