

# **Invion Limited ACN 094 730 417 (Company)**

## **Board Charter**

**Adoption Date: 18 November 2020**

### **1 Overview**

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#### **1.1 Introduction**

The purpose of this Charter is to:

- (a) promote high standards of corporate governance;
- (b) clarify the role and responsibilities of the Board; and
- (c) enable the Board to provide strategic guidance for the Company and effective oversight of the management of the company, through the delegation of responsibilities to Board committees or management.

The conduct of the Board is also governed by the Constitution. Where there is an inconsistency between this Charter 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 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 primary functions are to :

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

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

The Board's responsibilities include:

- (a) providing leadership and setting the strategic direction of the Company;
- (b) reviewing on an ongoing basis how the Company's strategic environment is changing, what key risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;
- (c) approving the strategic plan, business plan, operating budgets and major capital expenditure;
- (d) appointment and removal of the Chairman;
- (e) appointment and removal of the CEO or Managing Director;
- (f) appointment and removal of Senior Executives, taking into consideration the recommendation of the CEO or MD;
- (g) setting and overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (h) approving and monitoring the acquisition, establishment, disposal or cessation of any significant business or significant changes to organisational structures;
- (i) determining the Company's dividend policy (if any) and overseeing the financing of dividend payments (if any);
- (j) monitoring the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (k) monitoring the Company's process for making timely and balanced disclosure of all material information concerning the Company in accordance with the Continuous Disclosure Policy;
- (l) ensuring that the Company has in place an appropriate risk management framework;
- (m) setting the risk appetite within which the Board expects management to operate;
- (n) approving the Company's remuneration framework;
- (o) monitoring the effectiveness of the Company's governance practices;
- (p) monitoring and managing the performance of senior management;
- (q) approving and managing succession plans for the CEO, Senior Executives and other key management positions that may be identified from time to time;
- (r) reviewing and monitoring any related party transactions; and
- (s) monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

## 1.5 Corporate governance matters

- (a) The Board is required to:
  - (i) review developments in corporate governance best practice and where necessary, take action in relation to any matters that are relevant to the Company, or to the expectations of Shareholders and other stakeholders;
  - (ii) review its policies, practices and procedures and that of its committees in light of the corporate governance requirements set down by regulators, including ASIC and ASX;
  - (iii) review on an annual basis the adequacy of the Company's Corporate Governance Policies, practices and procedures and take action in respect of any necessary or desirable changes; and
  - (iv) review on an annual basis the Company's compliance with its Corporate Governance Policies.
- (b) The Company's annual report will include a Corporate Governance Statement, which will contain all necessary content required by the Recommendations (as well as explanations of any departures from the Recommendations).
- (c) As part of an effective communications strategy, the Company will establish and keep current a dedicated section of its website related to corporate governance matters for access by the public.

## 1.6 Board Composition

While the Company will aim to have Board that complies with the size and composition guidelines outlined in the below paragraphs, this may not always be practicable in the future given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the Board retains its absolute discretion to determine the appropriate size and composition of the Board from time to time, subject to the Constitution, Corporations Act and Listing Rules.

- (a) The Chairman:
  - (i) must be appointed from the Board's membership;
  - (ii) should, but is not required to, be an Independent Director;
  - (iii) should not, but is allowed to be, the CEO;
  - (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; and
- (iii) more than three Directors where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified.

#### 1.7 **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.

#### 1.8 **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 and the Recommendations.
- (b) Each Director will provide the Board with all relevant information for this purpose.
- (c) The independence of Directors will be disclosed in the Company's annual report.
- (d) Where the Board decides a Director has ceased to be an Independent Director, this will be disclosed to Shareholders.
- (e) The Company will, from time to time, assess and consider whether a greater proportion of Independent Directors are necessary.

#### 1.9 **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.
- (c) The process of selection and appointment of new Directors to the Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise. Candidates with the skills, knowledge, experience, independence and expertise that best complement the Board's effectiveness will be recommended to the Board by the Nomination and Remuneration Committee. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next AGM.
- (d) Non-executive Directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Executive Directors and Senior Executives will have their roles and responsibilities and the Company's expectations set out in a service contract. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

#### 1.10 **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 an independent professional consultant 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.

#### 1.11 **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.

#### 1.12 **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 outside of regular Board meetings for a private discussion of management issues.

### 1.13 **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 relevant 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 Responsibilities and delegation**

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### 2.1 **Chairman responsibilities**

The Chairman is responsible for:

- (a) leadership of the Board;
- (b) overseeing the Board in the effective discharge of its supervisory role;
- (c) chairing Board and general meetings;
- (d) the efficient organisation and conduct of the Board's function and meetings;
- (e) promoting constructive and respectful relations between directors and between the Board and management;
- (f) facilitating the effective contribution and ongoing development of all directors;
- (g) briefing all directors in relation to issues arising at meetings;

- (h) monitoring and facilitating reviews of the performance of the Board;
- (i) ensuring the Board regularly meets to consider the Company performance and key issues facing it; and
- (j) committing the time necessary to discharge effectively his/her role as Chairman.

## 2.2 **Company Secretary responsibilities**

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

- (a) monitoring this Charter, 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 announcements made, in accordance with the Continuous Disclosure Policy;
- (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.

## 2.3 **CEO responsibilities**

- (a) The CEO 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 authority over the day to day management of the Company to the CEO, 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.

## 2.4 **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 Committee, a Nomination and Remuneration Committee. Each of these Committees will have a designated charter.

## 2.5 **Delegation to Senior Executives**

- (a) The Board delegates to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those reserved to the Board and its Committees under their charters or under specific limitation or guidance from the Board through Board resolutions.
- (b) The Board may impose further specific limits on CEO delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time. The CEO has authority to delegate to other Senior Executives who are responsible for:
  - (i) implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company; and
  - (ii) providing the Board with information to enable the Board to perform its responsibilities.
- (c) From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

## **3 Matters for Board consideration**

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### 3.1 **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.

### 3.2 **Continuous Disclosure Obligations**

- (a) The Company's continuous disclosure obligations will be a standing item on the agenda for each regular Board meeting and considered in accordance with the Company's Continuous Disclosure Policy.
- (b) Directors must promptly provide details of any matter within their knowledge that might require disclosure to the market under the continuous disclosure obligations.

### 3.3 **Communication with Shareholders**

- (a) The Company's annual report will be distributed to all Shareholders in accordance with the requirements of the Corporations Act and Listing Rules.
- (b) The Company's 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 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, an extraordinary general meeting 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 Company's annual and half-yearly reports, 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.

### 3.4 **Disclosure of Board selection process**

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:

- (a) the use of a Board skills matrix to identify any gaps in the skills, qualifications, diversity and experience of the Directors on the Board;
- (b) the process by which candidates are identified and selected, including whether professional intermediaries are used to identify and assess candidates;
- (c) the steps taken to ensure a diverse range of candidates is considered; and
- (d) the factors taken into account in the selection process.

### 3.5 **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 wider 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.

### 3.6 **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.

### 3.7 **Access to information**

- (a) The Chairman, CEO, Company Secretary and management must ensure that updated information is provided to the Board in a timely fashion to enable the directors to effectively discharge their duties.
- (b) Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.
- (c) In discharging its role, the Board shall have unrestricted access to:
  - (i) all books and records of the Company; and
  - (ii) all staff, including Senior Executives and other managers to seek information and explanations from them; and
  - (iii) the Company's auditors, both internal and external, to seek explanations and information from them without Senior Executives being present.

## 4 Definitions and interpretation

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### 4.1 Definitions

In this document:

<b>Term</b>	<b>Definition</b>
<b>AGM</b>	means the annual general meeting of the Company.
<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 chief executive officer, managing director or otherwise) with sole responsibility for the strategic and operational management of the Group.
<b>Committee</b>	means a committee of the Board.
<b>Constitution</b>	means the constitution of the Company.
<b>Continuous Disclosure Policy</b>	means the Company's Continuous Disclosure Policy, which is set out in a separate document.
<b>CFO</b>	means the chief financial officer or equivalent officer (by whatever title known) of the Company.
<b>Company</b>	means Invion Limited ACN 094 730 417.
<b>Corporate Governance Policy</b>	means each of the corporate governance policies and charters adopted by the Company.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Group</b>	means the Company and its wholly-owned subsidiaries.
<b>Group Operating Policies and Procedures</b>	means the policy and procedures applicable to the Group from time to time, adopted by the Board.
<b>Independent Director</b>	means a Director who is assessed by the Board as 'independent' based on the factors set out in the Recommendations.
<b>Listing Rules</b>	means the listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>Price Sensitive Information</b>	has the meaning given in the Continuous Disclosure Policy.

<b>Term</b>	<b>Definition</b>
<b>Recommendations</b>	means the ASX Corporate Governance Principles and Recommendations 4 <sup>th</sup> Edition.
<b>Company Secretary</b>	means the company secretary of the Company.
<b>Senior Executives</b>	means the members of the senior management team (excluding the CEO and other executive Directors), being those who have the opportunity to materially influence the integrity, strategy and operation of the Group, and its financial performance.
<b>Shareholder</b>	means a holder of shares in the Company.

#### 4.2 **Interpretation**

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