



Charter

# Board charter and relationship with management

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**IVE Group Limited**

ACN 606 252 644

Adopted by the Board on 22 June 2023

## Table of contents

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	<b>Charter</b>	<b>1</b>
<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>Board composition</b>	<b>1</b>
	2.1 Board composition and size.....	1
	2.2 Director independence and tenure .....	1
<b>3</b>	<b>Board role and responsibilities</b>	<b>2</b>
	3.1 Board role .....	2
	3.2 Board key responsibilities .....	2
	3.3 Reserved authorities .....	3
	3.4 Directors.....	4
<b>4</b>	<b>Delegation of duties and powers</b>	<b>4</b>
	4.1 Relationship with management.....	4
	4.2 Role of the CEO.....	4
	4.3 Delegation to Committees .....	4
<b>5</b>	<b>Board process</b>	<b>5</b>
	5.1 Meetings .....	5
	5.2 The Chair and Senior Independent Director.....	5
	5.3 The Company Secretary.....	5

### Attachment 1

#### Guidelines of the Board of directors – Independence of directors

### Attachment 2

#### Performance evaluation process in relation to the Board and its Committees

## 1 Introduction

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The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance, international best practice and applicable laws.

This Charter includes an overview of:

- Board composition and process;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board Committees.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually to ensure that it continues to be appropriate to the needs of the Company.

## 2 Board composition

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### 2.1 Board composition and size

- The Board is appointed by the shareholders. Non-executive Directors are engaged through a letter of appointment.
- The Board, together with the Nomination and Remuneration Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds to ensure that that Board collectively has the skills required to discharge its obligations effectively and to add value.
- The Board, together with the Nomination and Remuneration Committee, will review the skills represented by Directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy and to address relevant existing and emerging business and governance issues, subject to limits imposed by the Constitution and the terms served by existing non-executive Directors.

### 2.2 Director independence and tenure

- The Board regularly reviews the independence of each non-executive Director in light of information relevant to this assessment as disclosed by each non-executive Director to the Board.



- The Board only considers directors to be independent where they are independent of management and free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party. The Board has adopted a definition of independence that is based on that set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) (see Attachment 1).
- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

## 3 Board role and responsibilities

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### 3.1 Board role

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards). The governance structure should ensure that reasonable financial and growth targets are set and achieved within an appropriate risk framework, taking into account the interests of Company's stakeholders (including its employees); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

### 3.2 Board key responsibilities

The responsibilities/functions of the Board include:

- demonstrating leadership, defining the Company's purpose and approving the Company's statement of values and code of conduct to underpin the desired culture within the Company;
- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**);



- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance and satisfying itself that the Company has an appropriate risk management framework (for both financial and non-financial risks). This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance, overseeing management in the implementation of strategy and policy and instilling the Company's values;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting and satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- whenever required, challenging management and holding it to account;
- satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategy and risk appetite;
- developing and reviewing corporate governance principles and policies; and
- performing such other functions as are prescribed by law or are assigned to the Board.

### **3.3 Reserved authorities**

Matters which are specifically reserved for the Board or its committees include:

- appointment of a Chair and/or the "senior independent director";
- appointment and removal of the CEO;
- appointment and replacement of the company secretary and overview of the appointment and replacement of senior executives and their remuneration. Senior executives will have a written agreement in place setting out the terms of their appointment;
- appointment of directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends and distributions;
- approval of the Company's business plan, budget and strategy;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- approval of the Group's insurance program having regard to the Group's business and the insurable risks associated with its business;
- setting measurable objectives of the Company to achieve gender and broader diversity in the composition of the Board, senior executives and the workforce generally;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.



### **3.4 Directors**

- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

## **4 Delegation of duties and powers**

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### **4.1 Relationship with management**

- Directors may delegate their powers as they consider it appropriate. However, ultimate responsibility for strategy and control rests with the directors.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors are entitled to request additional information at any time when they consider it appropriate.

### **4.2 Role of the CEO**

- The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom the management function is properly delegated by the CEO).
- The Board approves corporate objectives for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board.

### **4.3 Delegation to Committees**

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the Audit, Risk and Compliance Committee and the Nomination and Remuneration Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.
- The powers delegated to these Committees are set out in Board resolutions.

### 5.1 Meetings

- The Board will meet regularly.
- Periodically, non-executive Directors will meet without executive Directors or management present.
- Directors will use all reasonable endeavours to attend Board meetings in person.
- The Company's constitution governs the regulation of Board meetings and proceedings.

### 5.2 The Chair and Senior Independent Director

- The Board will appoint one of its members to be Chair.
- Recommendation 2.5 of the ASX Corporate Governance Principles and Recommendations recommends that the Chair should be an independent non-executive Director. As at the date of adoption of this policy, it is not proposed to have an independent director as Chair because the benefits of the experience with the business over time which the Chair brings in this case are seen as outweighing the benefits of having an independent Non-executive Director in the role.
- The Chair represents the Board to the shareholders and communicates the Board's position.
- The Senior Independent Director, if one is appointed, will perform the role and function of the Chair in the absence of the Chair for any reason and will:
  - be available to facilitate (as appropriate and required) Chair succession planning, approvals and actions required to be performed by the Chair where the Chair may be conflicted;
  - support in the performance evaluation of the role and function of the Chair; and
  - act as a separate channel of communication for security holders in particular where those communications may concern the Chair.

### 5.3 The Company Secretary

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable to the Board.
- The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- All Directors will have direct access to the Company Secretary.

## **IVE Group Limited (ACN 606 252 644)**

Adopted by the Board on **XX**

### **Guidelines of the Board of directors – Independence of directors**

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Part 2 of the Company's Board Charter refers to the 'independence' of directors.

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of directors.

In general, directors will be considered to be 'independent' if they are not members of management (a non-executive director) and they:

- are not employed, or been previously employed in an executive capacity by the Company or any of its child entities, and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- do not receive performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- have not within the last three years been in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Company or any of its child entities, or an officer of, or otherwise associated with someone with such a relationship;
- have not within the last three years been or represents an officer or employee of, of professional advisor to, a substantial shareholder;
- do not have close personal ties to any person who falls within any of the categories described above;
- have not been a director of the Company for such a period that his or her independence from management and substantial holders may have been compromised; and
- are free from any material interest, position or relationship which might interfere or might reasonably be seen to interfere with the director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

### **Materiality**

The Board will consider the materiality of the directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company's shares to be material.





- In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the Board will consider the particular circumstances including the materiality of the business and the nature of the affiliation in reviewing whether the particular director should be considered independent.
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Company.

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### Performance evaluation process in relation to the Board and its Committees

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- (a) On an annual basis, Directors will provide written feedback in relation to the performance of the Board and its Committees against a set of agreed criteria.
- (b) Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- (c) Feedback will be collected by the Company Secretary and Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- (d) The CEO will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.
- (e) Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.